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# **1992 COMPREHENSIVE HOUSING AFFORDABILITY STRATEGY**

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**City and County of San Francisco**



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# Comprehensive Housing Affordability Strategy (CHAS)

U.S. Department of Housing  
and Urban Development  
Office of Community Planning  
and Development



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☐ Annual Update \*

For Fiscal Year \_\_\_\_\_.

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Part 1 - Needs Assessment

☐

Narrative

☐

Tables

Part 2 - Market & Inventory Conditions

☐

Narrative

☐

Tables

Part 3 - Strategies

☐

Narrative

☐

Tables

\*\* For all amendments, specify the nature of the amendment below and attach amended portions to this cover sheet.

## Jurisdiction

Name of Authorized Official:

Bradford Paul, Director

Signature & Date:

X

*Bradford Paul*

## HUD Approval

Name of Authorized Official:

Signature & Date:

X



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**1992 COMPREHENSIVE HOUSING AFFORDABILITY STRATEGY**  
**City and County of San Francisco**

**Prepared by the Mayor's Office of Housing and Community Development**  
**October 31, 1991**



## THE 1992 CHAS DEVELOPMENT PROCESS

The 1992 Comprehensive Housing Affordability Strategy is the result of a coordinated effort by several City departments in cooperation with representatives of numerous community organizations, service agencies and housing advocacy groups.

In 1991, San Francisco was faced with the need to submit an approvable CHAS to HUD by October 31, 1991 in order to receive its annual CDBG funds in a timely manner for 1992. By law, the CHAS draft was also required to be made available for public comment for a period of at least 60 days prior to submission. Furthermore, while HUD's Interim Regulations notified local jurisdictions of the need to develop a CHAS and its general statutory requirements in February, 1991 the first detailed Instructions were not available until May.

These conditions severely restricted the time available to the City for drafting the 1992 CHAS and forced the City to compress the process or risk delay in receipt of 1992 CDBG funds upon which so many local programs both related and unrelated to housing, depend. However, the CHAS development process was also perceived as an opportunity for the public and private agencies that implement the City's plans for affordable housing to reexamine the structures, practices and priorities of the affordable housing delivery system.

Consequently, the 1992 CHAS development process was shaped by the desire to take the first steps toward realistic, long-range planning, but driven by the need to produce an approvable document on schedule. It was perceived as a "dry run" in some respects for the more comprehensive effort planned for next year, when the 1993 CHAS will be developed.

Under the coordination of the Mayor's Office of Housing and Community Development (MOHCD), a CHAS Planning Group was assembled in April, 1991 to provide input, feedback, and overall direction to MOHCD staff in their effort to draft the CHAS. The Planning Group met twice a month throughout the next four months as the CHAS was planned and each section was drafted, reviewed and debated by the Planning Group, and consensus reached on final language.

Actively participating in this Group throughout the development of the CHAS, were representatives of the following City agencies:

- The San Francisco Department of City Planning,
- The San Francisco Department of Social Services,
- The San Francisco Department of Public Health,
- The San Francisco Redevelopment Agency,
- The Mayor's Office of Community Development, and
- The San Francisco Housing Authority.

Community organizations that participated in the Planning Group throughout the process included:

- The Council of Community Housing Organizations, an advocacy coalition of 21 non-profit, community based and controlled housing development and technical assistance corporations;
- The San Francisco Coalition on Homelessness, comprised of service providers, advocates, and currently/formerly homeless people, including over 100 individuals and 50 organizations; and
- The San Francisco Neighborhood Legal Assistance Foundation.

Following each meeting, summaries of the meeting notes were prepared by staff and distributed to a number of other individuals and groups who wished to be kept informed of progress in developing the CHAS draft, included members of the Citizen's Committee on Community Development, which is charged with advising the Mayor on matters related to the use of CDBG funds in the City.

In addition to the regular meetings of the Planning Group, staff consulted with numerous community organizations, service providers, and public agencies while drafting the CHAS.

In August, over 150 copies of the draft CHAS were distributed to local libraries, elected officials, Commissions, and other City departments. The public comment period began August 26, 1991 and extended to October 25, 1991. At the beginning of this period, several hundred announcements of the availability of the CHAS and plans for a Public Hearing to obtain public comments, along with copies of the Executive Summary of the CHAS were sent to persons and groups on the Office of Community Development CDBG mailing list. Press releases were sent to several local newspapers, including the San Francisco Chronicle, the Bay Guardian and the San Francisco Independent, and official notices of the availability of the CHAS draft and invitations to a public hearing on the CHAS were published during the second and third weeks of September in the Examiner, the Independent, the Sun Reporter, El Bohemio, and Asian Week newspapers. A public hearing was held by the City agencies involved in the development of the CHAS on September 24, 1991 at the conference center of St Mary's Cathedral in San Francisco. The comments received at that hearing and other comments received in written form since the publishing of the draft CHAS are summarized and attached at the end of this document.

The document produced as a result of this effort relies heavily upon the ideas and recommendations of previously developed documents, all of which involved their own extensive community participation and review, particularly the Residence Element of the Master Plan for the City and County of San Francisco, adopted by the Planning Commission in September, 1990, "Beyond Shelter: A Homeless Plan for San Francisco", originally presented for public review by the Mayor's Coordinating Council on Homelessness in August, 1989, and "An Affordable Housing Action Plan", the City's first attempt to articulate affordable housing policies, released for public review by the Mayor's Housing Advisory Committee in May, 1989. Each of these

documents was subject to broad community involvement and citizen participation in its development. To the extent that the 1992 CHAS reiterates the recommendations and policies of these documents, it can be said to be the culmination of several years of concentrated discussion and broad public involvement in the development of affordable housing policies in San Francisco.



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# **SECTION ONE: COMMUNITY PROFILE**

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**Part One: Needs Assessment**

**Part Two: Inventory**



## PART ONE: NEEDS ASSESSMENT

*This section of the C.H.A.S. discusses the current housing needs of various income groups in San Francisco, the expected needs of these groups over the next five years, and the particular needs of extremely low income people. Physical design and supportive service needs associated with housing are also discussed in this section, both in the context of the general population and the extremely low income population. The latter part of this section highlights the particular needs of extremely low income households.*

### INTRODUCTION

If forced to move today, most renters in San Francisco would have to pay so much of their income on rent that not enough would remain for food or health care, or they would not be able to rent a decent apartment at all. The problem is related both to the lack of sufficient income for housing, and to the unique demographics of San Francisco's population.

The past decade has seen significant *economic* changes in San Francisco. Unemployment, reduced public entitlements, the lack of a national health insurance program, and higher living costs have reduced the ability of many individuals and families to pay market rents. At the same time, job opportunities for blue-collar and unskilled workers have dwindled as these industries have left San Francisco for cheaper labor markets.

Opportunities in the expanding office and service industries have been largely limited to professionals and skilled laborers. Many of the city's residents have been trapped in low-paying jobs, while new jobs have gone to residents from outlying areas. As daily commutes from the suburbs have worsened, these new workers have sought housing in the city, placing further pressure on the housing market.

The purchasing power of San Francisco households fell during the 1980s as housing costs soared. The price of the average single family home in San Francisco rose 160 percent during the 1980s, from \$131,000 to \$340,000 (Bay Area Council, 1990). During the same period, median rents rose nearly 90 percent, from \$475 to \$895 (Residence Element, 1990). Housing costs far outpaced the consumer price index, which rose 64 percent during the same period (State Employment Development Department, 1991).

Rental costs for the city's most affordable housing have increased at a faster rate than the citywide average. For example, rents for residential hotel rooms in the North of Market area have increased 166 percent since 1980, far outstripping increases in public benefits and the minimum wage. In some cases, occupants of these hotels have been priced right out of their rooms (Beyond Shelter, 1989).

From a *social* perspective, the city's housing market is affected by a unique demographic structure dominated by non-family households. In June, 1991 the San Francisco Chronicle reported that only 40 percent of the city's households were families, the lowest percentage of any city in the United States. (The Department of City Planning's September, 1991 Annual Evaluation Report cites 1990 Census Data indicating that 46.4% of the City's households are families.) Families with one wage earner may find it difficult to compete for housing with unrelated individuals with multiple incomes. Students in shared living situations create additional pressure on the limited supply of units suitable for families.

The city's housing needs are also shaped by the large number of minority households in San Francisco, including many Non-English speaking immigrants and refugees. In addition to being confronted with cultural, income, and language barriers, these groups continue to face housing discrimination. Income discrimination is also pervasive in the city, particularly against low and very low income households. The cost of moving into a rental apartment in San Francisco may exceed \$2,000 and is a formidable barrier to entry into the housing market by the poor.

As a result of economic and social conditions, many San Franciscans have become accustomed to overcrowding, indefinite deferral of homeownership, and payment of unusually large portions of their incomes for rent. The needs have been most pronounced among families earning less than the median income. As state and federal housing funds have dwindled, the gap between needs and resources has grown wider and evidence of housing problems has become more visible and widespread. The growing number of homeless persons provides the most dramatic evidence that the city is unable to provide sufficient affordable housing to meet its needs.

The balance of this chapter considers the general needs of lower income households, and the specific needs of households who require facilities or services which make their housing inherently more expensive to produce or operate. Several perspectives are used in this chapter to define the shortage of affordable housing. First, the extent of the problem is described in numerical terms. The number of households paying too much of their income for housing, and the number already receiving some form of housing subsidy, is evaluated. The lack of current census data, and the multi-dimensional nature of the problem, requires other perspectives.

A second perspective considers the causes of the affordable housing shortage, that is, the social, economic, and physical factors that have led to the problem. A third perspective focuses on symptoms such as overcrowding and homelessness which indicate the effects of the shortage.

There are common, overlapping themes that are evident within each perspective: the inability of the private market to produce affordable units, the lack of supportive services which contribute to a stable living environment, and the lack of income to pay for the housing which is available. From all perspectives, there is common agreement among civic and business leaders, community groups, and environmentalists that the health and vitality of the city depend on developing solutions to these problems.

## CURRENT HOUSING AFFORDABILITY NEEDS

### General Lower Income Housing Needs

National Affordability Guidelines. Each year, HUD publishes income guidelines for households of different sizes in U.S. metropolitan areas. Households are classified as "Very Low Income" (earning less than 50 percent of median income), "Low Income" (earning 50 to 80 percent of median income), "Moderate Income" (earning 80 to 120 percent of median income), and "Above Moderate Income" (earning more than 120 percent of median income). For each group, income figures are presented for households of one, two, three, four, five, and six or more persons. In 1991, the median annual income for a four-person household in the San Francisco area is \$49,900; a low income household of four earns between \$29,950 and \$39,900 a year.

HUD guidelines indicate that a household should spend no more than 30 percent of its gross income on total housing costs, including utilities. The "affordability" of a housing unit is calculated both on the income of a household and the number of persons in that household. For example, a very low income household of two should have monthly housing costs which do not exceed \$456, while a very low income household of four should have housing costs which do not exceed \$570.

HUD's 1991 standards for the San Francisco Area, which also includes Marin and San Mateo Counties, are shown in Table 1-1. The City and County of San Francisco has developed a fifth category called "Extremely Low Income," consisting of households earning less than 25 percent of median income. The category has been created to indicate the magnitude of the housing problem facing the large number of persons in this group. Extremely low income persons include those on General Assistance (GA), Supplemental Security Income (SSI), and Aid for Families with Dependent Children (AFDC). The \$4,092 received annually by GA recipients amounts to 13 percent of the median income for single persons, while the \$7,200 received by SSI recipients is 23 percent of the single person median. For AFDC recipients, the \$7,092 benefit paid to a family of three is 17 percent of the citywide median for three person households.

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Table 1-1: Household Income Standards by Household Size, 1991 for Low and Moderate Income Housing

<u>Income Categories</u>	<u>1-Person</u>	<u>2-Person</u>	<u>3-Person</u>	<u>4-Person</u>	<u>5-Person</u>
Extremely Low (25 % of m.i.)	\$8,750	\$10,000	\$11,250	\$12,500	\$13,500
Very Low (50 % of m.i.)	\$17,500	\$19,950	\$22,450	\$24,950	\$26,950
Low (80 % of m.i.)	\$27,950	\$31,900	\$35,900	\$39,900	\$43,100
Median (100 % of m.i.)	\$34,950	\$39,900	\$44,900	\$49,900	\$53,900
Moderate (120 % of m.i.)	\$41,950	\$47,900	\$53,900	\$59,900	\$64,700

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(m.i. = median income)

Source: HUD Income Limits: February 1991, based on San Francisco's PMSA which includes Marin and San Mateo counties, capped to a national average.

Because these income limits reflect both the city and the more affluent suburbs, San Francisco appears to have a disproportionately large share of lower income households. In 1988, more than 52 percent of the city's households were lower income, including 16 percent (47,500 households) who were extremely low income, 20 percent (61,000 households) who were very low income, and 16 percent (49,900 households) who were other low income (Residence Element, 1990).

Rental Assistance Needs<sup>1</sup>. The high cost of market rate housing in San Francisco makes purchasing a home almost impossible for lower income households. About 90 percent of the city's lower income households are renters (Residence Element, 1990), and a majority pay more than 30 percent of their income on housing (Housing Assistance Plan, 1988). To meet the HUD guidelines for affordability, programs have been developed to fill the gap between 30 percent of a household's gross income and market rate rents. These programs are broadly defined as "rental assistance programs" and consist of public housing, rent certificates or vouchers (given to tenants), subsidies to landlords which enable rents to be fixed below market rates, financial assistance to non-profit developers which reduce building costs, and inclusionary zoning requirements.

The need for rental assistance programs is estimated by using Census data on "overpayment", that is, the number of lower income households paying more than 30 percent of their income on housing. Table 1-2 indicates that nearly 77,000 low and very low income renter households in San Francisco, or one-quarter of all the city's households, were overpaying for rental housing in 1980.

The table also shows that a disproportionate number of overpaying households were minorities. While minorities comprise about half of the city's population, they comprise two-thirds of the households in need of rental assistance. Table 1-2 shows that more than 50,000 low-income minority renters need rental assistance, including 80 percent of the elderly households needing assistance (Housing Assistance Plan, 1988).

Table 1-2 also indicates that overpayment is concentrated among small family households. Households of two to four persons comprise 53 percent of all households in the city, but comprise 73 percent of the overpaying households. By far, most of the households needing rental assistance are small families.

For a low income family, overpayment of rent often leaves little money left over for other basic expenses. A family of four relocating to San Francisco could expect to pay at least \$1,200 monthly for a three-bedroom apartment. With an income of \$25,000 a year, the household would have just \$800 left over each month to pay for food, transportation, clothing, child care, health care, and all other expenses. Such families truly live "paycheck to paycheck", deferring

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<sup>1</sup> Throughout this report, the term "lower income" is used to refer to "low," "very low," and "extremely low" income. Furthermore, unless the context clearly indicates otherwise, "very low income" includes all households earning less than 50 percent of the median income, including extremely low income persons.

major expenses and getting by with less; an unexpected major expense, such as a hospital stay, could have catastrophic consequences.

Moderate income needs are not shown in Table 1-2. Small, moderate income households can generally find suitable market-rate rental housing in the city. Large moderate income families may have more difficulty due to the limited number of large units available and the high cost of these units. However, these families do not ordinarily qualify for rental assistance.

Overpayment in San Francisco is by no means limited to lower income households; due to the high cost of ownership housing, many moderate and above moderate income households overpay as well. Monthly payments for the median priced home in San Francisco (\$2,606) would consume more than half of the income of an "above moderate" income household. Because the alternative of renting exists for these households, most of the city's housing programs are geared towards lower income renters.

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**Table 1-2: Rental Assistance Needs of Low Income Families and Elderly Households**

	<u>Elderly HH</u>	<u>Small Family (2-4)HH</u>	<u>Large Family (5+)HH</u>	<u>Total HH</u>
Extremely Low/ Very Low Income(less than 50% of m.i.)	14,284	45,997	3,961	64,242
Low Income (50-80% of m.i.)	<u>1,731</u>	<u>9,759</u>	<u>1,158</u>	<u>12,648</u>
Total	16,015	55,756	5,119	76,890
Minority	(13,142)	(35,078)	(2,895)	(51,115)
Non-Minority	(2,873)	(20,678)	(2,224)	(25,775)

---

*Source: Housing Assistance Plan, 1988-1991*

The number of households actually receiving rent subsidies in San Francisco is far below the need identified in the HAP. There were about 19,700 households receiving rental subsidies in 1991, either through public housing or HUD Section 8 programs (Mayor's Office of Housing, 1991). There were also 2,800 households who did not receive direct subsidies but paid below market rents on units produced by non-profit developers through state and local housing programs, and another 655 households who paid below market rents on units produced through "inclusionary housing" requirements (Mayor's Office of Housing, 1991). An additional 1,500 persons were indirectly subsidized through the city's emergency shelter programs.

The city's rent stabilization program has resulted in a high percentage of households paying less than market rent--at least temporarily. However, there is still a wide gap between "stabilized" rents and "affordable" rents, particularly for lower income households. Even when rent is subject to the Stabilization Ordinance, there is still a good probability that a lower income household will be overpaying.

*Summary: Based on the number of lower income households paying more than 30 percent of their income on housing, there are at least 77,000 households that need access to lower cost rental units. Nearly three-quarters of all overpaying households contain two to four persons.*

"Worst Case" Households. Although finding a suitable place to live in San Francisco is difficult for almost all lower income households, some have an exceptionally hard time. Another way to evaluate overall affordable housing needs is to look at how many of these "worst case" households there are in the City.

Worst case households may experience a "severe cost burden," and pay more than 50 percent of their income as rent. Others may have no other choice but to reside in housing which is seriously substandard and does not meet city building codes. Persons with no income or with very little income may not be able to find housing at all. Lower income households also face the risk of displacement as neighborhoods are redeveloped, and buildings are demolished or converted to other uses.

HUD gives worst case households priority for admission to rental assistance programs. They have developed three criteria for identifying these households, defined below:

- (1) *No Housing Assistance, Paying More than 50 Percent of Income on Rent.* In 1980, about 28,000 households were paying at least 50 percent of their income on rent (1980 Census). No data is available on the number of these households that were receiving housing assistance. In theory, none received assistance, since the assistance programs would have reduced housing costs to 30 percent of income.

As a result of the increase in housing costs as compared to income during the 1980s, the number of households experiencing a severe cost burden has probably increased since the 1980 Census. In 1991, a very low income household of three would be overpaying if their rent was more than \$513 a month. By comparison, the median rent for a two-bedroom apartment in 1991 was about \$1,000 (Bay Area Council, 1991). There are 113,000 very low and extremely low income households in San Francisco; all would potentially experience a severe cost burden if they had to move today (Residence Element, 1991).

- (2) *Seriously Substandard Housing (including homeless).* The 1988-1991 HAP estimated that 17,319 substandard lower income rental units were "suitable for rehabilitation". Such units were defined as lacking complete plumbing and violating one or more of the city's housing code requirements. Most of these units are occupied by very low income households; the exact breakdown between "low" and "very low" income is unknown. The number of homeless persons at any given point in time, discussed later in this report, is estimated to range between 6,600 and 7,700.
- (3) *Involuntarily Displaced.* Potential sources of displacement are highway construction, redevelopment where residential units are lost, conversion of residential uses to commercial or industrial uses, and conversion of rental units to ownership units. The 1988 HAP estimated that 1,013 lower income households could be displaced by 1991, including both low and very low income households. The actual extent of displacement that actually occurred is unknown, but may have exceeded the estimate due to the Loma Prieta earthquake. The 1990 Residence Element suggested that up to 1,300 persons were displaced by the earthquake.

There is no current estimate of the number of persons to be displaced between 1991 and 1994. However, the San Francisco Redevelopment Agency has estimated that up to 2,500 households could be displaced by the termination of Section 8 contracts alone by 1995.

*Summary: There is a severe imbalance between income and housing costs in San Francisco, evidenced by the fact that tens of thousands of households must pay over half their income for rent or live in seriously substandard housing.*

### Specific Needs of Lower Income Households in San Francisco

Another dimension of the housing crisis becomes evident when the specific needs of lower income households are considered. There are households and individuals whose difficulty with finding housing is related less to their household size or their age than to certain "special" or specific needs. The number of persons who experience such needs in the lower income population is disproportionately high.

Specific needs relate to housing affordability by affecting the ability to live independently, earning capacity, and the physical environment required for decent living. These factors may be broadly characterized as social, economic, or physical; each is described below.

Supportive Social Needs. Social needs which influence housing requirements include psychiatric and physical health care, immigrant services, addiction recovery, dysfunctional family support, and other family services.

- o *Psychiatric Health Care Needs.* Since State hospitals began deinstitutionalizing patients in the 1970s, board and care homes have become the primary source of housing for the city's psychiatrically disabled. The supplemental security subsidies provided to assist Board and Care facilities have not kept pace with the rising cost of patient care, causing many of the facilities to close. At current subsidy levels, board and care is financially infeasible for many operators (Housing the Mentally Ill, 1985). In 1977, there were 1,278 Board and Care beds for psychiatric patients in San Francisco. By 1990, there were only 650 beds left. Without intervention, the trend towards closure is expected to continue.

The San Francisco Mental Health Association estimates that the city has an unmet need of 750 beds for psychiatrically disabled persons. Without these beds, a large number of patients have become homeless and the city's emergency psychiatric services have been pushed beyond their capacity. There is a need for immediate action to preserve the existing pool of Board and Care homes and to encourage development of new homes to serve unmet needs.

Supportive services for board and care homes include daily psychiatric treatment and socialization, assistance with bathing and personal needs, planned activities, recreation, medical assistance, and food service.

- o *Physical Health Care Needs.* Groups with physical health care needs include the frail elderly and the terminally ill, such as with AIDS.

There are more than 100,000 persons over 65 in San Francisco (1980 Census), many of whom are in poor health and require regular medical attention and assistance in food preparation, transportation, and personal needs. The private nursing homes which provide these services are generally not affordable to low and very low income elderly households. The few that are affordable have very long waiting lists, and are unattainable for those with immediate needs.

Residential settings required by persons with AIDS range from those offering independent living for individuals who can manage on their own to those offering home care and hospice services for those who need assistance with daily activities. It is estimated that ten percent of persons with AIDS require residential care facilities with supportive services (Developing AIDS Residential Settings, 1988).

The San Francisco Department of Public Health indicates a current shortfall of about 1,370 residential care units for AIDS patients. A combination of board and care facilities, hospices, skilled nursing facilities, group housing, and independent living centers need to be developed to meet these needs. The needs of other terminally ill patients is not known (Residence Element, 1990).

- o *Immigrant Services.* The City's Residence Element estimates that 25,000 new immigrant households will arrive in San Francisco during the next five years, and that 20 percent of

these households will remain in the city. There will be a resulting demand for 5,000 units to house immigrant households.

Familiarity with and access to housing programs often depends on the availability of appropriate language services; without these services, it becomes especially difficult for immigrants to secure housing. Many immigrant households also require legal assistance, job training, or assistance in locating suitable employment. Absent these services, they face formidable obstacles to entering the city's housing market and may be at risk of becoming homeless. This need is particularly acute for the approximately 2,000 undocumented workers that come to San Francisco each year, since they are ineligible for public assistance and may have no other source of income. At any given time, there are an estimated 200 undocumented homeless persons in the city (Residence Element, 1990).

- o *Recovery from Substance and Alcohol Abuse.* Alcohol and substance abuse problems affect persons of all incomes in all types of households. The private recovery facilities which provide residential care are not affordable to lower income persons, creating a gap between needs and resources at the lower income levels.

Many drug or alcohol addicted people cannot find housing at all and are threatened with homelessness. Among these people are many who would make the transition to a healthier lifestyle if given the opportunity to do so. This transition is most likely to be successful when counseling, medical services, and other supportive services are provided in a residential environment, accessible on an on-going basis for an extended period of time.

There is also a need for facilities and services for persons who are presently denied access to the emergency shelter system. Even detox centers will not accept those who have repeatedly failed to follow through with treatment and homeless shelters turn away persons who are intoxicated. These persons may have no alternative but to live outdoors, reducing the odds of eventual recovery.

- o *Dysfunctional Family Support.* Victims of domestic violence and other family problems have counseling and safety needs which require special living situations. These households often do not have the financial resources to meet basic living expenses and may need medical attention, case management, and job training. Runaway and abandoned youth face similar problems. Housing is needed to provide temporary refuge from an unstable home environment or to help in the transition to a more independent living situation.
- o *Day Care.* The need for affordable day care is especially prevalent among low income households. In 1983, one in five children in the United States lived in a single parent household. Single parents have great difficulty working without reliable, accessible day care for their children. However, with day care costs at about \$150 a month, child care alone would consume 20 percent of a minimum wage earner's income (HomeBase, 1990).

Income Needs. Lack of income is a barrier to finding suitable housing for many San Francisco residents. Income can be enhanced by developing more equitable public entitlement programs, expanding vocational training and educational programs, and creating new economic opportunities.

- o *Public Entitlements.* Direct income supplements through general assistance, SSI/SSA, AFDC and rent supplements are essential for people to meet their emergency needs while beginning to access stable housing and employment. In the absence of other subsidies, a GA recipient could only "afford" to spend \$102 a month on housing, while an AFDC family of three could "afford" \$198 a month. Assistance levels are not tied to actual living costs, and are presently insufficient to meet the emergency and housing needs of lower income households. Administration of public entitlement programs does not currently guarantee timely and effective assistance for people in need of emergency assistance due to administrative barriers, lack of eligibility workers, and restrictive eligibility policies.

Other households, particularly large low income families and single parents, would benefit from programs which assist in meeting move-in costs such as security deposits and first and last month's rent. For poor, working families with a stable but modest income, move-in costs may be the primary obstacle to securing an apartment. Some households, including elderly and immigrant groups, may need to be educated as to what types of assistance are available and may need help in applying.

- o *Vocational Support, Education, and Employment Training.* There are thousands of people in San Francisco who want to work but cannot find jobs, thousands more who are working part-time when they would rather work full time, and still more working full-time in jobs which do not pay enough to meet basic living expenses. At the same time, the vast majority of new moderate and above moderate income jobs are filled by persons living outside the city (ABAG, 1990). Better job training and education would improve local residents' chances of selection for these jobs and create move-up opportunities for the working poor.

Vocational services are needed for people whose experience does not allow them to readily obtain conventional employment. Groups that would particularly benefit from such services include youth, people without prior paid work experience, immigrants, and long-term frequently homeless people. Such services should be closely linked to employment training and educational opportunities, and attached on an optional basis to the provision of permanent housing wherever possible.

- o *Economic Opportunities.* The link between economic development and affordable housing is obvious; as economic activity occurs in lower income neighborhoods, income increases and the ability to pay for housing increases. Enterprise development and economic opportunities for low income people are essential to allow them to maintain stable housing and living situations. These programs should reflect the vocational needs and interests of

homeless and lower income people, and be closely coordinated with vocational support, employment training, and the educational opportunities created.

Physical Design and Site Location Needs. Some types of housing are inherently more expensive to produce, and consequently to rent or own. Physical needs may be specific design requirements for living units, or locational requirements, such as proximity to transit or supportive services.

- o *Accessibility.* Accessible housing accommodates the special needs of the physically disabled, particularly the need for wheelchair circulation. It is estimated by Independent Housing Services that 12 percent of San Franciscans, or about 97,000 persons are or will be disabled by 1995. Some 40 percent of this population or about 39,000 persons will need accessible housing (Residence Element, 1990).

A recent survey shows that only 10 percent of the rental units built by non-profit developers in San Francisco provide disabled access (Residence Element, 1990). In private housing, it is estimated that fewer than two percent of San Francisco's rental stock is minimally accessible. The Mayor's Disability Access Task Force estimates that 500 new market rate units and about 250 new low cost fully adaptable units are needed every year. It also estimates that disabled access needs to be adaptively provided in existing units at a rate of about 150 units per year (Residence Element, 1990). The new construction and rehabilitated accessible housing need over the next five years is therefore expected to be about 4,500 units.

- o *Congregate Care.* Housing for the elderly and terminally ill has physical design requirements as well as the supportive service needs described above. Some of these requirements, such as wheelchair accessibility, are comparable to those for physically disabled persons. The need for certain social services, such as shared dining facilities and on-site medical care, requires facilities that are not usually included in multi-family housing.

The city's Residence Element identifies a five-year (1991-1995) need for 2,000 units specifically designed to meet the needs of elderly households. State Department of Aging statistics show a large percentage of these households are in the "greatest economic need" income levels.

- o *Unit Size.* Several types of households require particular kinds of housing units which are not adequately produced by the private sector. First, there is a shortage of apartments suitable for large families in San Francisco. Demand for family housing has increased as more households have reached child bearing age and more large families have migrated to the City. Despite the large number of homes added during the late 1980s, housing which was both affordable and suitable for large families remained in short supply. The city's Residence Element identifies a five-year (1991-1995) need for 7,600 housing units for families with children.

- o *Locational Requirements.* Housing for specific groups may require sites with particular characteristics. Sites for the elderly and disabled require proximity to public transportation and neighborhood shopping, as well as relatively level terrain between housing and these services. Sites for large families may benefit from sites that are close to schools, parks, and playgrounds. Sites for terminally ill patients may need to be close to hospitals or medical offices. In all cases, the character and scale of housing must be compatible with its neighborhood and must take into account such factors as parking, noise, and climate.

*Summary: Since the 1970's, the City's shortages of housing for households and persons who need special residential environments because of psychiatric or physical health problems, substance abuse, age and physical disability have grown worse. During the same period, the City's ability to provide services necessary to create stable housing conditions for lower income households has fallen further behind the need for them.*

## PROJECTIONS OF FIVE-YEAR NEEDS

While the previous section addressed current un-met housing needs in San Francisco, this section looks at how these needs will grow over the next five years. The demand for new housing will be driven by job growth in the city, and by natural increases (as births exceed deaths). Measures to preserve the affordability of existing housing will also be required, particularly for units with federal subsidies scheduled to expire during the next five years.

### Household Growth

The Association of Bay Area Governments (ABAG) has developed estimates of San Francisco's housing needs by income category. ABAG projected that 25,748 units would be needed to meet the city's housing needs in the 7-1/2 years between January, 1988 and June, 1995. In an effort to more equitably distribute the share of low income housing around the region, ABAG assigned San Francisco a lower share of low and very low income housing needs than the city currently supports. ABAG indicated that 40 percent of the city's housing from 1988 through 1995, or 10,300 units, would need to serve these groups. These figures are presented in Table 1-3.

Table 1-3: New Construction Housing Need by Income Category (1988 to 1995)

	Very Low (50 % of m.i.)	Low (50-80 % of m.i.)	Moderate (80-120 % of m.i.)	Above Moderate (above 120 % of m.i.)
PERCENT	24 %	16 %	20 %	40 %
Number of units	6,179	4,120	5,150	10,299

Source: ABAG Housing Needs Determination, January 1989. Residence Element, 1990

ABAG estimates that nearly 38,000 jobs will be added in San Francisco during the next five years.<sup>2</sup> This will create a demand for some 27,500 housing units. Historically, only about 40 percent of this demand has been met in San Francisco, with the balance met by outlying communities. Some of those moving to outlying communities have done so by choice; others simply could not find suitable housing in San Francisco. In determining the city's future housing needs, ABAG has attempted to increase San Francisco's share of new employees housed to 50 percent, or about 13,700 units.

Another 9,500 housing units are estimated to be needed due to the growth in the number of existing households (children leaving home, new families, etc.). Finally, 2,400 units were identified as being necessary to raise the vacancy rate to 5 percent.

The ABAG Projections indicate a need for 3,433 new housing units a year, which is more than double the rate of construction during the 1980s. Not once in the past 20 years has this number of units been produced in San Francisco.

Actual housing production records are available for the first three years of the ABAG projections period. A total of 6,649 units were built during 1988-1990, averaging 2,216 units per year. This is about two-thirds of the target. If the three-year shortfall is added to the remainder of the projection period, the annual need for 1991-1995 rises to 4,249 annually.

The housing needs estimated for the early 1990s are dramatically higher than ABAG's previous estimate of 1,483 units per year for the 1980s. The increase is primarily due to new regional goals to increase vacancy rates and achieve a better balance between jobs and housing by accommodating more housing within the city. Estimates of housing needs would be lower if there were slower employment growth, no attempt to reduce past deficits, and no increase in the percentage of new workers housed within San Francisco (Residence Element, 1990).

Housing projections by tenure are not contained in the city's Residence Element. Assuming the current distribution remains constant, 66 percent of the units needed during the ABAG projections period will meet renter needs, while 34 percent will meet owner needs. This equates to a 1991-1995 need for 14,021 rental units and 7,224 owner-occupied units during this period, or a yearly need of 2,804 rental units and 1,445 owner-occupied units.

***Summary:*** According to ABAG, San Francisco must build about 8500 new units for lower income households in the next five years just to keep up with expected increases in the number of jobs and households in the City.

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<sup>2</sup> Recent economic trends suggest the ABAG estimates may have been overly optimistic. 1990 projections by the State Department of Employment and Economic Development indicate a 1988-1993 increase of 18,900 jobs.

## Protection of Expiring Section 8 Subsidies

The affordability of about 7,000 units assisted by local, state and federal programs is threatened by the expiration of these subsidies or use restrictions over the next 10 years. Ownership of these units is by for-profit and non-profit entities.

Section 8 subsidies will be terminating on over 2,500 units by 1995. The majority of these units are in buildings with for-profit owners which are vulnerable to conversion to market rate housing.

Section 8 units receive federal subsidies which provide the owners of these units with the difference between 30 percent of tenants' income and a HUD established rent for the units. Expiration of Section 8 in for-profit projects with no other use restrictions will force tenants to pay market rate rents for their units or move. Expiration of Section 8 in non-profit projects will burden these organizations with operating costs and mortgage payments without the income to cover these costs.

Congress has stated its intent to renew expiring Section 8 subsidies and assuming adequate funding, many of the subsidy contracts may not actually terminate. Nevertheless, these Section 8 contracts must continue to be considered at-risk, since there is no guarantee that Congress will appropriate sufficient funds to renew all contracts, and since owners may still choose not to renew contracts at option renewal dates. In view of the impossibility of determining which units may actually terminate, it is prudent to consider all such units as at-risk of losing affordability.

Private owners of approximately 2,000 of the Section 8 units potentially have the option of prepaying their federally-insured mortgage and terminate the use restriction by the end of the century. Owners of these buildings would no longer be required to rent to lower income households and the rents would rise to levels well beyond the reach of these households.

The Low Income Housing Preservation and Homeownership Act of 1990 establishes a program that provides a measure of protection against the loss of affordability for these units, but the units may nevertheless be converted to market rate under certain circumstances.

There are an additional six housing developments, with 252 restricted units that are assisted under local programs or through Multifamily Revenue Bonds in which the use restrictions may expire by 1995. 109 of the 252 units restricted under these programs are owned by for-profit entities.

***Summary:*** Immediate measures are needed to protect the affordability of thousands of units with Section 8 subsidies that will be expiring by 1995, and to protect other units in buildings with use restrictions that can be lifted by pre-payment of federally-insured mortgages or by other means.

## HOUSING NEEDS OF EXTREMELY LOW INCOME HOUSEHOLDS

### Poverty in San Francisco

San Francisco is usually regarded as an affluent city, a city of promise for immigrants, groups of varied lifestyles and beliefs, and persons seeking economic gain. While the city's prosperity has benefitted many, it has also left many behind. The 1980 Census found that nearly one quarter of the city's population lived in poverty, including 30,000 children and 18,000 elderly persons.

Thousands of immigrants, unskilled laborers, and persons with a variety of social, health care, and mobility problems have not been able to compete in the city's job market or have been relegated to the lowest paying jobs in the expanding service sectors. They have been shut out of the city's housing market and have been forced to live in unhealthy and sometimes dangerous environments.

More than 20,000 people were out of work in San Francisco in April, 1991. There is also a growing pool of working poor, including full-time minimum wage earners and part-time or temporary workers receiving no benefits. The number of persons living below the poverty level has increased since 1980, due to such factors as reduced or eliminated AFDC benefits, a minimum wage that has risen 37 percent in a city where the median rent for a studio apartment has risen 183 percent, and reductions in non-cash entitlements such as school lunches and food stamps. The lack of guaranteed health insurance and reduced support services for psychiatrically disabled persons have also contributed to the problem.

The recent recession has hit the city's lower income population particularly hard. Before the recession began, the number of families below the poverty level was already at its highest rate in recent years (Homelessness Exchange, 1991). The federal safety net for poor and unemployed workers was weakened during the 1980s and cannot adequately serve the growing number of persons in need. New budget authority for HUD was reduced 79 percent between 1981 and 1989 (Beyond Shelter, 1989); federal unemployment insurance programs contracted sharply during the same period. Given the federal deficit, the savings and loan crisis, and stringent fiscal control provisions enacted in the fall of 1990, the federal government is unlikely to cushion the recession's impacts by increasing entitlements.

The State of California, faced with unprecedented budget cuts itself, is not able to fill the void created by the federal cutbacks. Beneficiaries of the State's AFDC program have already seen a 39 percent cut in the amount of real income received through the program since 1971 (Homelessness Exchange, 1991). The widening gap between AFDC and living costs has driven some families out of San Francisco altogether. The San Francisco Examiner recently reported a "welfare exodus" from the city to rural areas, where rents were as little as one-third of the

city's median (Examiner, July 21, 1991). The 4.4 percent AFDC payment cut and five year freeze in AFDC cost of living increases, passed on June 30, 1991, are expected to accelerate this trend.

This year, the average AFDC benefit for a family of three is \$591 and the average cash value of food stamps is \$150. At current funding levels, recipients are provided with only 62 percent of the subsistence level income set forth in federal poverty guidelines (Examiner, July 21, 1991). Even if a family of three spent their entire AFDC check on rent, they could barely afford a decent studio apartment in San Francisco.

The City and County of San Francisco is also unable to shoulder the burden created by state and federal entitlement reductions. Recipients of the city's general assistance (GA) benefits receive \$341 a month, supplemented by about \$90 of food stamps. Since there is virtually no housing that a single GA recipient can afford for an entire month, some choose to live in residential hotels for part of the month and stay with friends or relatives for the balance of the month. For others, the alternative to a residential hotel is a doorway, city park, or emergency shelter.

Homelessness in San Francisco is not a new phenomenon. There is a long history of a homeless underclass living on the margins of societal norms. The difference today, as Beyond Shelter noted in 1989, is that "the margins have drawn closer to the center and more people have spilled over the edge." With the erosion of the support system for the poor, particularly the decline in housing subsidies, poverty and homelessness has reached a scale unprecedented since the 1930s.

As homelessness has become more visible, the general public has grown accustomed to it as a feature of San Francisco's landscape. Despite the public's heightened concern over the situation, their ability to empathize has been drained by the enormity of the problem and the lack of apparent progress towards a solution. The tents in the City's Parks, sleeping vagrants in Civic Center Plaza, and panhandlers along Powell Street have challenged the public's perception of the city and made it clear that the city's economic good times have not benefitted everyone.

### **The Relationship between Poverty and Housing**

To understand the relationship between poverty and housing, it is important to realize that housing needs and resources change over the course of one's life. People transition from larger units to smaller units, from apartments to houses, from houses to residential care facilities, and so on. As income rises and falls, the range of housing that is attainable changes. As familial status changes, the range of housing that is suitable changes. In short, the need for housing parallels the cycles of one's life.

Persons in poverty experience the same cycles of life and housing, but may lack the resources and support network to meet their basic needs at certain times. At some point, resources may become so low that housing is completely unattainable and homelessness is the only alternative.

Once homeless, it is extremely difficult to return to permanent shelter. Life on the streets is mentally and physically debilitating. The obstacles to finding a job and a place to live may be insurmountable.

*Summary: With the erosion of the support system for poor people, and the catastrophic decrease in housing subsidies over the past decade, the numbers of poor and homeless persons has reached a scale unprecedented since the 1930s.*

## The Episodic Nature of Homelessness

Because housing needs and resources change continuously, it is misleading to speak about "the homeless" as a discrete group of people who can be accurately counted. Homelessness is a relative state that may be experienced in varying degrees at varying times. The shortage of housing for the poor affects many more than those seen on the streets on any given night. HomeBase, a regional support center for homelessness policy and programs, has indicated that the number of persons experiencing an episode of homelessness during the year was three times greater than the number of persons homeless on any given night.

People may transition in and out of homelessness several times during the course of a year or even a month. Seasonal employment may bring in enough income to house a family for the summer, but not enough for the entire year. Public assistance might cover expenses during the first half of the month, but may run out before the month is over. Eviction may bring a temporary loss of housing which ends when a new residence is found. A catastrophic illness may cause a sudden loss of income, and force a previously well-housed person to take shelter wherever it can be found.

Surveys of persons without housing in the Bay Area indicate that some common causes of homelessness are family break-ups, loss of public assistance, and release from prison with no support network. For these households, the biggest barriers to finding housing may be lack of a job, a poor credit history, insufficient public assistance, and discrimination based on personal circumstances. As these barriers persist, it becomes more and more difficult to return to a stable housing situation.

Three case studies, documented in Figure 1-1, illustrate the circumstances that led to homelessness for three households in San Francisco.

## FIGURE 1-1: THREE PORTRAITS OF HOMELESSNESS IN SAN FRANCISCO

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### *"Matt"*

*Matt is in his mid 30's and was homeless off and on for five years. In 1982, Matt was transferred to San Francisco from the Midwest, where he was a salesman. Although his rent almost doubled, his employer only gave him a five percent cost of living increase.*

*Matt's homelessness began when his addiction to drugs overwhelmed his ability to work. He quit his job and, because he had no savings, he also lost his apartment. Matt was unaware of any public assistance programs and stayed off the streets by living in an SRO hotel room in the Tenderloin and working as a desk clerk to support himself. He soon lost the clerk job because of drug use.*

*In 1987, Matt was diagnosed HIV positive and developed ARC shortly thereafter. It was at this time that he learned about General Assistance. When Matt applied for GA, he was in considerable mental anguish due to drug use and his health, so his GA worker forced him to apply for SSI.*

*Once he was receiving his GA payment of \$341 a month, Matt shared an SRO hotel room with a friend for \$76 a week. The conditions were so bad that they left after three weeks and moved to a nicer hotel where they paid \$100 a week. All during this period, Matt was considerably upset due to his fear of developing AIDS. As his fear grew he used more drugs, eventually causing his roommate to throw him out of the room. Matt's SSI application had been made six months before, but still had not been approved. Without enough money to get a place of his own, he moved all of his possessions into Civic Center Plaza, where 300 other people were living at the time.*

*Nine months after he applied, Matt was approved for SSI and received a lump sum retroactive payment of \$5,000. He took the money and moved into a \$200 a week room with his unemployed lover. They gradually scaled down their rooming costs to \$100 a week, but all the time spent large amounts of money on drugs. After three months, the money was gone and Matt moved back into the Plaza.*

*Matt was devastated by the embarrassment of having to move back to Civic Center Plaza, and resolved to stop using drugs. Within a few months, he was able to stay clean for a month or more at a time and had taken on a small studio apartment with his lover and another friend. He then began going to an SSI-required detox program which helped him in some ways, but also interfered with the personal regimen which got him off drugs in the first place. After four months, he and his lover both got jobs and moved into a better apartment. Since then, Matt has been in a stable living situation. He was able to discontinue his SSI in the summer of 1991.*

*--Case Study provided by the Coalition on Homelessness*

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### **"Kelly"**

Kelly had been intermittently homeless since age 17, when she left her family and hitch-hiked to California. When she arrived in San Francisco in 1986, she was unable to find work and didn't know about General Assistance. As a result, she had no income and lived in parks and alleys.

In 1987, she became involved with a young homeless man and they had a child. He had occasional work but not enough to get stable housing. After her child was born, Kelly applied for AFDC. She had no identification so it took her almost two months to begin receiving benefits. Once she started getting checks, her boyfriend took the money for himself and they remained homeless.

In 1988, Kelly and her boyfriend left San Francisco. They went to Las Vegas first, where they stayed briefly, and then to Florida. In Florida, Kelly stayed in a shelter and had her child taken away from her by Child Welfare Services. A few months later, she and her boyfriend moved to Maryland, where he had a family. They stayed at the boyfriend's brother's house. There, she became pregnant again and was thrown out by the boyfriend, who was cheating on her and accused her of being pregnant by another man. She ended up staying on the streets and in a shelter until early 1990, when her second child was taken from her.

Kelly moved in with relatives of a friend in Pennsylvania in early 1990. She got a fast food job and was supporting herself minimally, but in late 1990 was forced to move out of the house she was living in and decided to return to California.

Kelly moved to Sacramento where she became pregnant with her third child. She was put back on AFDC and secured an apartment. After several months without work, she decided to move back to San Francisco in hope of finding a job. She is currently living in a shelter with her child while she is waiting for her AFDC check to be transferred. She hopes to get her own studio apartment as soon as her first monthly check of \$560 arrives.

—Case Study provided by the Coalition on Homelessness

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### **"Joyce"**

Joyce is from San Francisco and is married with two kids. She has been abused by her husband throughout their marriage. In early 1991, her husband beat her up and she and the children went to an emergency family shelter for three days. During her stay, the shelter social worker was able to place her in a battered women's shelter. The shelter allows women to stay for two months and helps them get housing and AFDC.

For the next six weeks, Joyce tried to get a one bedroom apartment with her AFDC grant of \$694 a month. She eventually gave up because she didn't have enough money to pay the deposit on an apartment. She became depressed and frustrated about her lack of options and returned to her husband again.

She stayed with her husband another six weeks. At first things were better but then he began to threaten her again. In the end, he attacked her and threatened the children for the first time. She again moved into an emergency shelter but was turned away from at all the battered women's shelters because they were full.

After a week she found a small but decent single room occupancy hotel room for \$120 a week where she and her children sleep together in the same bed. She's been there six weeks and is still looking for a one bedroom apartment she can afford.

—Case Study provided by the Coalition on Homelessness

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## The Magnitude of the Problem

The 1990 Residence Element indicates that there are 6,600 to 7,700 "currently homeless" persons in San Francisco. About 2,900 were estimated to be in shelters or transitional hotel programs, 700 were receiving AFDC emergency housing assistance (which provides money for temporary housing for up to 28 days and deposit funds for permanent housing)<sup>3</sup>, as many as 1,000 were irregularly housed, and as many as 1,800 were living outdoors. The Residence Element also estimated that an *additional* 1,300 persons were added to these four categories after being displaced by the Loma Prieta earthquake.

Other components of the homeless population are not currently reported. At any one time, significant numbers of the city's homeless are in jails, public hospitals, and residential treatment programs. An unknown number of persons live in vehicles. There are also numerous families that are inadequately housed in single room occupancy hotels, temporarily staying with friends or relatives, or living in other housing which is unsuitable for their needs.

HomeBase estimates that more than 23,000 persons in San Francisco experienced homelessness at some point during 1990.<sup>4</sup> Many of the persons counted in the HomeBase study may be housed at a particular point in time, but are constantly at risk of losing their housing. Any extremely low income household in San Francisco is at risk of homelessness. The level of this risk depends largely on the personal resources and support network of each household. There are many thousands of San Franciscans who have avoided homelessness by staying with friends and families, doubling or tripling up in apartments that were designed for single persons or small families, and paying inordinate amounts of their income for shelter.

*Summary: The episodic nature of homelessness, its symptomatic quality as an indicator of the broader difficulty of maintaining stable housing faced by unemployed and working poor people make the designation "homeless" misleading, and estimates of its magnitude imprecise.*

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<sup>3</sup> In fiscal year 1990-91, 1,687 families (an estimated 5,061 people) were aided by this program, including those receiving only temporary assistance and those receiving both temporary and permanent housing assistance.

<sup>4</sup> The HomeBase figures were based on statistics from the AFDC homeless assistance program, and assumptions about the ratio of persons in homeless families to all homeless persons. However, their methodology is not universally accepted.

## Characteristics of Persons without Housing

Persons without housing come from a variety of backgrounds, including individuals in formerly middle-class families, families with children, teenagers, undocumented immigrants and elderly individuals. Characteristics of homeless persons are shown in Figure 1-2.

Surveys of more than 500 homeless persons interviewed on the streets in San Francisco in 1985 and 1986 found that a majority were single adults and were predominantly male (86 percent). Nearly a third (32 percent) had at least one psychiatric hospitalization, while 42 percent admitted to an alcohol problem and 21 percent admitted to a drug problem. More than one third (37 percent) were veterans.

A subsequent survey of service providers by the United Way (1988) found that families, single women, and women with children were a growing segment of the homeless population. Homeless runaway youths and people with AIDS have become increasingly visible in San Francisco as in other cities. The United Way found that seniors represented roughly one-sixth (17 percent) of the homeless population, while one-fourth (25 percent) of the homeless had some physical disability.

The United Way survey also found that a majority of the homeless population was white (55 percent). Compared to the percentages of the total population, Blacks (29 percent) and American Indians (2.5 percent) were overrepresented while Asians (2 percent) and Latinos (8 percent) were underrepresented. A survey by the Homeless Times in March of 1990 revealed that 35 percent of those surveyed had been homeless for 1 year or less, 26 percent were homeless for 1 to 2 years, and 26 percent were homeless for 3 years or more.

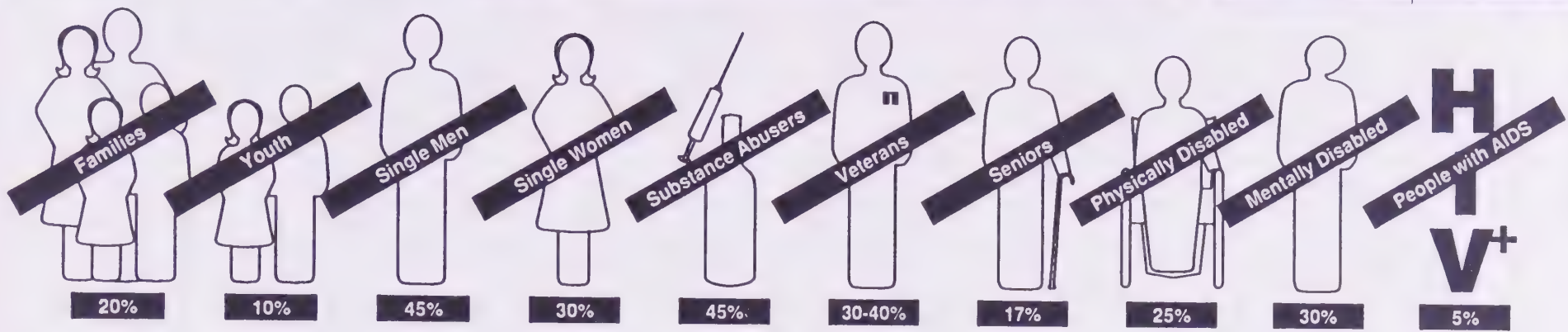
HomeBase indicates that the average household size for homeless families is 3.072. If homeless families represent 20 percent of all homeless persons, the average household size for all homeless persons is 1.41.

## Specific Needs for Persons Without Housing

Among the variety of reasons that people fall into poverty and homelessness are some that have to do with personal and social conditions or events that exacerbate their poverty or inability to function successfully in conventional housing environments. Persons with such special needs are not all poor or homeless; nor do all homeless persons fit into one of these special needs categories. However, while these groups require supportive services whether they are homeless or not, the need for these services dramatically increases when these groups are without housing. The street environment worsens the personal circumstances of persons in these groups and often exacerbates the problems that led to the loss of housing in the first place. Re-entry into the housing market is virtually impossible without supportive services.

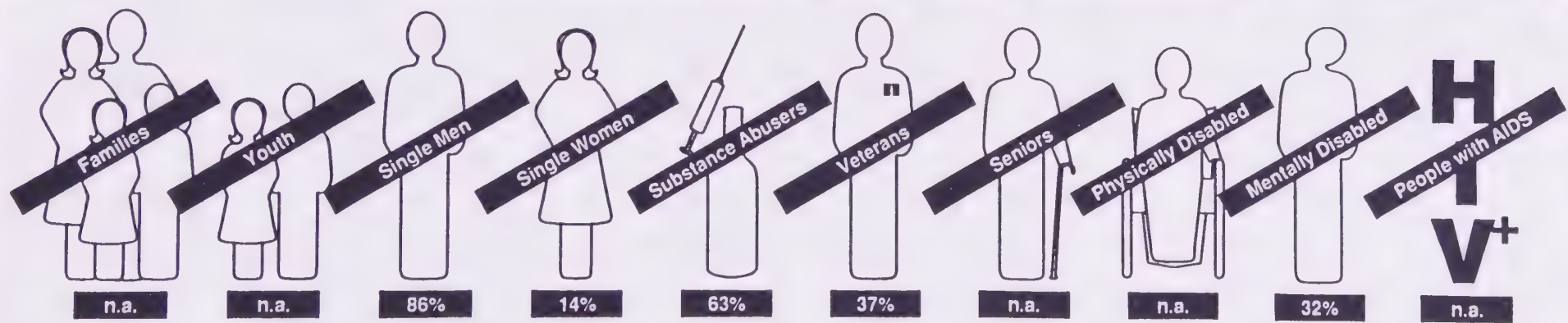
# Total Homeless Population

1



# People Living On The Streets

2



n.a. = not available  
 1 Survey of Service Providers, United Way, 1988  
 2 Street Survey (N=179), Mayor's Office, 1985

**FIGURE 1-2: CHARACTERISTICS OF PERSONS WITHOUT HOUSING IN SAN FRANCISCO**

Psychiatrically Disabled. One of the most commonly perceived causes of homelessness is the deinstitutionalization of state hospital patients. However, the image of thousands of psychiatrically disabled people being dumped on the streets during the 1980s is largely exaggerated; deinstitutionalization has been occurring gradually for more than 30 years and was no more rapid during the 1980s than it was during the 1970s. What did happen during the 1980s was the erosion of the community-based support system that had been serving psychiatric patients after their discharge from State institutions. As the expense of running licensed residential care facilities outpaced subsidies, many of these facilities were closed.

The psychiatrically disabled have also suffered from the erosion of services for poor people in general. Many lost their Supplemental Security Income benefits when the requirements for these benefits were changed in the early 1980s. Because of reduced funding levels and limited residential care capacity, hospitalization for mental illness has become a series of episodes rather than a way of life. These episodes may be interwoven with periods of homelessness. In 1988, the United Way estimated that 30 percent of all homeless persons in San Francisco were psychiatrically disabled.

Substance Abusers. The United Way survey estimated that between 30 and 60 percent of all homeless persons had a drug or alcohol problem. Their findings are consistent with surveys of people living on San Francisco streets in 1985 and 1986. Street life for the substance abuser has become more harsh since the "skid row" days of past decades. Increased drug use has created a street environment of violence and crime. Life for addicted persons may consist of episodes of homelessness, incarceration, hospitalization, and rehabilitation.

Drugs and alcohol have always had the propensity to destroy people's lives although by themselves increased drug and alcohol use have not necessarily increased the number of homeless persons. These days, the numerous substance abusers who could once manage their addictions and live marginally in a residential hotel or other low-cost housing, now find it impossible to do so because of the loss of low-cost SROs and the overall increase in the cost of housing generally. While housing alone cannot break the link between addiction and homelessness, the chances of recovery are increased dramatically if safe, sanitary housing is available.

Victims of Domestic Violence. Women and their children may become homeless as a result of domestic violence and abuse. There are currently about 55 beds in three emergency shelters specifically set aside for women and children escaping abusive home situations. Between July, 1990 and May, 1991, there were more than 2,000 turnaways from these shelters. Women who are turned away are vulnerable to violence in the streets and some of the lower-cost residential hotels of the central city. There is a need to create safe and secure environments, whether residential hotels or group homes, for battered women. Day care, counseling, and vocational training are needed to assist in their transition to independent living.

Runaway and Abandoned Youths. An estimated 5 percent of all homeless persons in the United States are unaccompanied youth (Beyond Shelter, 1989). Applied to the estimates of homeless persons in San Francisco, there are about 350 homeless youths in the city at any given time.

The San Francisco Chronicle suggested that runaway youths flock to San Francisco because of its laid back lifestyle and reputation for tolerance ("Runaway Youths Expected to Flood San Francisco," July 5, 1991, p.19). While not citing evidence for this suggestion, the Chronicle did cite an Office of Criminal Justice Planning Report which indicated that 8,789 youths experienced homelessness in San Francisco between 1987 and 1989. There are indications that homelessness has increased since 1989; as of April, 1991, the Larkin Street Youth Center had helped 30 more clients than it did during all of 1990 (Chronicle, July 5, 1991). Among the problems confronting runaway youth is the increased incidence of HIV infection; a sample of 310 men and women at the city's shelters for runaway youth found that 13.4 percent tested positive for HIV (Chronicle, July 5, 1991).

In 1988, the San Francisco Delinquency Prevention Division indicated an immediate need for supportive services in residential settings for 70 homeless youth. Specific proposals included a group home for 10 homeless youth with multiple problems, a "safe house" for 10 teen prostitutes, a substance abuse facility for 20 homeless youth, and transitional housing with counseling, educational assistance, and job training for 30 older homeless youth (Beyond Shelter, 1989).

*Summary: Certain groups, such as the psychiatrically disabled and runaway youth, are especially vulnerable to homelessness. Housing for these groups requires a supportive service component which makes this housing intrinsically more costly to produce. In the absence of these services, re-entry into the housing market is virtually impossible.*

### Indicators of the Housing Crisis for Extremely Low Income Persons

Estimating the number of homeless persons in San Francisco has been the focus of much debate. There is no clearly accepted methodology, in part due to the episodic nature of the problem.

One approach, taken in Beyond Shelter and used in the city's Residence Element, was to count the number of persons living in parks, double and triple this figure for a range estimate of the outdoor population, and add the number of persons in shelters, DSS hotel programs, special needs shelter programs, and AFDC emergency housing assistance recipients for a total homeless estimate. Another approach, used by HomeBase, was to estimate the number of persons experiencing homelessness during 1990 based on: (1) the number of families receiving AFDC temporary and permanent shelter assistance during a year, and (2) the estimated ratio of families to the total homeless population (1:3).

Because the number varies daily and the definition of "homelessness" is relative, the approach used here is to avoid a census-type number and focus instead on the indicators of homelessness in the community. These indicators may be directly linked to the number of homeless persons, as with the count of occupied shelter beds in the city, or they be indirectly linked, as with the number of persons on the waiting list for public housing. By tracking these indicators over time, the severity of the problem -- and the effectiveness of the programs to address the problem -- can be measured. Seventeen indicators are listed below.

1. *Number of Persons in Shelters.* As of June, 1991, the city's shelters had a capacity of 1,114. Most of the city's shelters are continuously full or are over capacity; some utilize lotteries to allocate beds. There are another 400 beds in residential "hotline" hotels which are offered to people meeting Department of Social Services eligibility requirements.<sup>5</sup> At any given time, between 100 and 400 of the "hotline" beds are occupied; there are times when all beds are full and eligible persons must be turned away (Tenderloin Housing Clinic, 1991).
2. *Number of Turnaways from Shelters.* The San Francisco Housing Clearinghouse, a project of Independent Housing Services, indicates that there are about 1,600 "turnaways" per month, or approximately 53 turnaways per night at the city's shelters. During the 11-month period from July, 1990 through May, 1991, there were 18,016 turnaways reported.
3. *Number of Persons Living Outdoors.* Beyond Shelter reported that 1,200 to 1,800 people were living outdoors in 1989. At least 600 of these people were living in city parks. The number of persons living outdoors is believed to have increased as a result of the Loma Prieta earthquake (Residence Element, 1990).
4. *Persons in Vehicles.* Beyond Shelter estimated that at least 150 vehicles were being used as residences in early 1988, including 100 vehicles on the Panhandle of Golden Gate Park. No update of this estimate is available.
5. *Emergency Housing Assistance.* There were 6,763 parents and children who received AFDC temporary shelter approvals in San Francisco in the year ending June 1990. Since families are only eligible once a year for this program and must be homeless to qualify, this indicator provides an unduplicated count of the minimum number of families experiencing an episode of homelessness during the year.

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<sup>5</sup> Priority applicants are: (1) people referred through Tenderloin Housing Clinic's Modified Payment Plan, (2) medical referrals, (3) homeless GA & SSI clients referred by THC, (4) clients accepted for residential treatment or support service programs, (5) pregnant women, (6) single women, once every 6 months, (7) men 55 or older, once every 6 months, (8) homeless clients released from jail, and (9) newly employed people.

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6. *"Welfare" Recipients.* The DSS supportive service figures provide one indicator of the number of persons whose incomes are not sufficient to meet their basic living costs, including shelter. As of June 30, 1990, there were 32,261 persons receiving AFDC, 9,765 persons on general assistance, 41,137 persons receiving food stamps, 10,565 non-assistance food stamp recipients, and 55,184 Medi-Cal recipients. Many of these persons are likely to receive benefits from more than one of these programs, of course, but it is also likely that the total number of persons receiving some form of direct social service benefit probably exceeds 10 percent of the city's population.
7. *Recovery Program Population.* There were 11,300 alcohol treatment visits by homeless persons to Department of Public Health (DPH)-funded facilities during the 1989-1990 fiscal year. Community Substance Abuse Services (CSAS) estimates that each person is seen an average of 3.4 times a year, suggesting an unduplicated total of about 3,300 persons (correspondence from COH, July 3, 1991). This figure excludes persons using outpatient services or facilities not funded by DPH. CSAS estimates that at least 90 percent of those seeking services in publicly-funded drug detox facilities (excluding San Francisco General Hospital) are homeless. There were 1,211 unduplicated homeless visits to drug detox facilities in 1989-1990 (correspondence from COH, July 3, 1991), including out-patient visits.
8. *Transitional Housing.* In 1989, "Beyond Shelter" estimated the number of persons in transitional housing programs to be 435. Transitional housing programs are intended to provide residents with services and resources necessary to transition into permanent housing, including assistance in finding permanent housing. However, persons in this housing are not guaranteed permanent housing upon exiting these programs and, given the chronic shortage of affordable permanent housing available to extremely low income people, this population may be considered at risk of homelessness.
9. *Released from Jails or Hospitals.* According to the California Department of Corrections, there were 3,316 felons paroled to San Francisco in 1988 (EDD, June, 1990). Parolees may be released to halfway houses, work furlough residences (there are 60 work furlough beds in the city), private residences, or they may be released with no forwarding address. In the latter case, parolees may become homeless. Persons released from the county jail may also give no forwarding address and be homeless. Statistics are not currently maintained on the number of persons paroled or released from the county jail without a forwarding address.

Patients may also be discharged from San Francisco General or Laguna Honda Hospitals with no forwarding address. These patients may be discharged to "hotline" hotel rooms; however, if these rooms are full, they may be discharged without shelter. Other persons may choose to be discharged without shelter due to the poor living conditions in the

hotline hotels. The number of persons without housing released from the two hospitals is currently not monitored.

10. *Irregular or Seriously Substandard Housing.* Earlier sections in this chapter described the problem of substandard housing in the city's lower income communities. In 1980, there were more than 17,000 lower income housing units that violated the city's housing code (Housing Assistance Plan, 1988). There were also 11,400 housing units that were overcrowded (Residence Element, 1990). Although persons in these units do have a place to live, their housing may be grossly inadequate for their needs.

All over San Francisco, but especially in lower income neighborhoods, there are families living in apartments or residential hotel rooms designed for singles or couples. There are thousands of Southeast Asian families living in SRO hotel rooms in the Tenderloin (Correspondence from COH, July 3, 1991). There are also many persons who are staying with friends or relatives because they have lost their housing or are unable to afford market rate housing. Statistical data on persons in these situations is unavailable.

11. *Severe Overpayment of Rent.* Very low income households who pay more than 50 percent of their income on rent may be at risk of homelessness due to the lack of money available to meet other living expenses. A health care crisis or unforeseen major expense could result in eviction for failure to pay the rent. In 1980, there were 28,600 very low income households--nearly 10 percent of the city's households--in this category.
12. *Modified Payment Program Hotels.* The DSS Modified Payment Program (MPP) provides reduced rent in residential hotels or studios for persons who agree to have their GA or SSI check sent directly to their landlord (through Tenderloin Housing Clinic). There are about 1,000 persons participating in this program. MPP participants are unable to afford market rate housing and would potentially be homeless without this program. However, only about one-tenth of the city's GA recipients participate in the program. Others are reluctant to exchange their GA check for shelter, and may elect to live outdoors.
13. *Foster Care Departures.* When runaway, abandoned, or orphaned youth reach the age of 18, they become ineligible for state guardianship and the accompanying benefits. As young adults, they may lack the education, experience, and vocational skills needed to live independently; the low-wage jobs for which they are qualified may not generate enough income to afford market rate housing. Without parental support or the resources to pursue higher education or vocational training, this population is at risk of becoming homeless.

The number of youth exiting foster care programs without housing is not presently monitored. However, the DSS Foster Care program coordinator has indicated that roughly one quarter of the 40 youths emancipated from the Foster Care program each year do not have a home to go to (phone conversation, August 15, 1991).

14. *Economic Indicators.* The unemployment rate provides some indication of the number of homeless persons in San Francisco. With today's eroded safety net and reductions in unemployment benefits, the risk of homelessness is much greater than it was a decade ago for persons losing their jobs. After seven years of decline, the unemployment rate in San Francisco began to increase in 1990. Between June, 1990 and June, 1991 alone, unemployment increased from 4.0 to 5.8 percent.

Underemployment is also a good indicator of the income deficiencies which lead to homelessness. Persons who are underemployed may be working part time when they would prefer to work full time, or they may be in a position which does not fully utilize their income-earning potential (preferring such a position to unemployment). In addition to low wages, underemployed persons may bear the additional burden of paying their own health care and insurance costs. Data on underemployment is not currently available. However, temporary work grew nine times faster than employment as a whole during the 1980s (nationally), and there were four times as many temporary workers in the country in 1988 as there were in 1973 (Beyond Shelter, 1989). This change created a growing number of working poor people whose ability to secure and maintain housing is precarious at best.

15. *Expiring Subsidies.* As documented earlier in this chapter, there are 7,000 units of affordable housing that are at risk of being lost due to the termination of federal subsidies or use restrictions (see earlier discussion under "Five Year Projections). Families and individuals in this housing are at-risk of homelessness if their rents rise to market rate.
16. *Public Housing Waiting List.* 1988 was the last year the San Francisco Housing Authority (SFHA) waiting list was officially opened, but just for applicants needing studio, one bedroom, and two bedroom apartments. At that time, about 2,000 applications were taken for units of these sizes. The list for three bedroom and larger units has still not been exhausted from the 1986 application period.

The waiting time varies by unit size and is considerably longer for larger units. Approximately 76 applicants are placed in vacated units each month. In other words, the monthly turnover is about 1.2 percent of the total stock. The SFHA will be establishing new lists for all types of units in 1991 and expects approximately 20,000 applicants. The number of households on the current waiting lists are: Senior (908), Disabled (539), and Family (1,155).

17. *Section 8 Leased Housing Waiting List.* The current list for the Section 8 program was established in 1986. Recently, the list was updated and those who did not respond to the SFHA were eliminated from the list. The list includes 27 senior, 37 disabled, and 1,331 family households. New lists for this program will be established in October, 1991.

The major factors affecting waiting time are bedroom size and the availability of housing certificates. On average, families wait five years before receiving a certificate.

### Need for Monitoring of Homelessness Indicators

The indicators listed above should be monitored in a coordinated, consistent manner. More complete and accurate record-keeping is needed for particular indicators, including the numbers of families living in SROs, the number of persons released from jails or hospitals without housing, and the number of youths leaving foster care without housing. Application records for public entitlements and health assistance must clearly indicate the housing status of all applicants. When data becomes available, the 1990 Census should be used to update figures on severe cost burden, overcrowding, and substandard housing. Finally, additional data is needed to determine the extent of underemployment.

### Conclusion

San Francisco spent nearly \$37 million between 1982 and 1989 on the city's homeless program. Although these expenditures could have financed enough permanent, affordable housing for half of the city's homeless population, they were channeled instead to emergency programs which did not address the root of the homeless problem. As Beyond Shelter put it in August 1989, "(The) urgent and humane instinct to create any immediate alternative to the streets, while understandable and laudable, was based on the underlying assumption that homelessness was ultimately a temporary crisis needing only temporary solutions."

*"The insidious legacy of the 1980s that has regarded temporary shelter as an adequate response to homelessness must be overcome. Shelters never were and never will be an acceptable alternative to decent, affordable housing. While we must not relax our commitment to offering shelter to anyone who would otherwise be forced to live in streets, parks and doorways, we cannot be satisfied even if we have enough shelter beds for everyone who seeks them. Our vision and the overall direction of our policies must remain fixed on the goal of creating and preserving low cost housing, jobs and job training programs and the necessary health and social support services that enable people to live with the greatest degree of independence possible."*

*(Preface to Beyond Shelter, 1989)*

# CHAS Table 1A

## Housing Assistance Needs of Low & Moderate Income Households

U.S. Department of Housing and Urban Development  
Office of Community Planning and Development

### Comprehensive Housing Affordability Strategy (CHAS)

Name of Jurisdiction(s) or Consortium:

City and County of San Francisco

Five Year Period:

FY: 92 through FY: 96

Mark one:

☒ Current Estimate as of: (enter date) October, 1991

☐ Five-Year Projected Estimate as of: (enter date)

Mark one:

☒ All Households

☐ Racial/Ethnic Group Households: (specify) <sup>1</sup>

Household by Type, Income, & Housing Problems	Renters					Owners				
	Elderly 1 & 2 Member Households (A)	Small Related (2 to 4) (B)	Large Related (5 or more) (C)	All Other Households (D)	Total Renters (E)	Elderly 1 & 2 Member Households (F)	Small Related (2 to 4) (G)	Large Related (5 or more) (H)	All Other Households (I)	All Owners (J)
1. Very Low Income (0 to 50%)*	14,284	45,997	3,961		64,242					
2. With Housing Problems										
3. Physical Defects										
4. Overcrowded										
5. Cost Burden > 30%										
6. Cost Burden > 50%										
7. Other Low-Income (51 to 80%)*	1,731	9,759	1,158		12,648					
8. With Housing Problems										
9. Physical Defects										
10. Overcrowded										
11. Cost Burden > 30%										
12. Cost Burden > 50%										
13. Total Low-Income	16,015	55,756	5,119		76,890					
14. Moderate Income (81 to 95%)*										
15. With Housing Problems										
16. Physical Defects										
17. Overcrowded										
18. Cost Burden > 30%										
19. Cost Burden > 50%										
20. Middle Income Hshlds (96 to 120%)*										
21. All Households										

<sup>1</sup> See Table 2A for listing of Racial/Ethnic Groups

\* Or, if appropriate, based on HUD income limits with required statutory adjustments.

Note: Non-elderly "small families" include single person households

# CHAS Table 1A

U.S. Department of Housing and Urban Development  
Office of Community Planning and Development

## Housing Assistance Needs of Low & Moderate Income Households

### Comprehensive Housing Affordability Strategy (CHAS)

Name of Jurisdiction(s) or Consortium:

City and County of San Francisco

Five Year Period:

FY: 92 through FY: 96

Mark one:

☒ Current Estimate as of: (enter date) October, 1991

☐ Five-Year Projected Estimate as of: (enter date)

Mark one:

☐ All Households

☒ Racial/Ethnic Group Households: (specify) <sup>1</sup>

All racial/ethnic groups included

Household by Type, Income, & Housing Problems	Renters					Owners				
	Elderly 1 & 2 Member Households (A)	Small Related (2 to 4) (B)	Large Related (5 or more) (C)	All Other Households (D)	Total Renters (E)	Elderly 1 & 2 Member Households (F)	Small Related (2 to 4) (G)	Large Related (5 or more) (H)	All Other Households (I)	All Owners (J)
1. Very Low Income (0 to 50%)*										
2. With Housing Problems										
3. Physical Defects										
4. Overcrowded										
5. Cost Burden > 30%										
6. Cost Burden > 50%										
7. Other Low-Income (51 to 80%)*										
8. With Housing Problems										
9. Physical Defects										
10. Overcrowded										
11. Cost Burden > 30%										
12. Cost Burden > 50%										
13. Total Low-Income	13,192	35,078	2,895		51,115					
14. Moderate Income (81 to 95%)*										
15. With Housing Problems										
16. Physical Defects										
17. Overcrowded										
18. Cost Burden > 30%										
19. Cost Burden > 50%										
20. Middle Income Households (96 to 120%)*										
21. All Households										

<sup>1</sup> See Table 2A for listing of Racial/Ethnic Groups

\* Or, if appropriate, based on HUD income limits with required statutory adjustments.

Note: Non-elderly "small families" include single person households

## Homeless Population

**DRAFT**

## Comprehensive Housing Affordability Strategy (CHAS)

Name of Jurisdiction(s) or Consortium:

Five Year Period: (enter fiscal year)

FY: through FY:

City and County of San Francisco

92

96

**Table 1B  
Totals**

Category

Total  
(A)Sheltered  
(B)Unsheltered  
(C)

1. Number of Families

2. Number of Persons  
in Families3. Number of Individuals  
not in Families4. Total Persons/Individuals  
(Lines 2 + 3)Valid data not  
available. See text.**Table 1C  
Special Needs**

Category

Number of Families\*

Number of Individuals

Sheltered  
(A)Unsheltered  
(B)Sheltered  
(C)Unsheltered  
(D)

1. Mentally Ill

2. Drug Abuse

3. Alcohol Abuse

4. Victims of Domestic  
Violence5. Runaway/Abandoned  
Youth

6. Other (specify)

Valid data not  
available. See text.

\* Include families with head of household or spouse having the characteristics listed.

**DRAFT**

## PART TWO: INVENTORY

*This section of the CHAS documents recent demographic trends in San Francisco and describes the condition of the city's housing stock. The city's housing resources—including both the actual inventory of units and the various programs which provide housing assistance—are evaluated in the context of the lower income needs described in the previous chapter. This section also profiles facilities and services serving extremely low income persons, including homeless persons and persons at risk of becoming homeless.*

### INTRODUCTION

San Francisco's limited land supply, coupled with a relatively healthy economy and high quality of life, have made the city one of the nation's most expensive and competitive housing markets. Despite a fixed land supply which was completely developed by 1960, the city has continued to grow in population and add to its housing stock. Neighborhoods have become more dense, areas which were previously industrial have been infused with residential development, and older single family residential areas have been redeveloped with new high density housing.

Some 15,600 new housing units were built in San Francisco during the 1980s. Demand for these units was fueled by employment growth and by immigration from Pacific Rim and Latin American nations. While the housing gains were significant, they were still not sufficient to meet demand. The greatest gaps between supply and demand have been in the production of housing for low and very low income households. The costs of land, materials, and labor in San Francisco make it virtually impossible to produce housing affordable to these households without public assistance.

An increasing number of the city's households cannot afford even the most basic form of shelter. The inventory of facilities and supportive services for the homeless has grown rapidly in recent years but has been unable to keep pace with the increase in demand. Like other cities around the country, San Francisco faces the challenge of providing increased shelter and social services with vastly diminished financial resources.

The following pages present a profile of socio-economic and housing conditions in San Francisco. At this time, only partial data from the 1990 Census is available to complete this profile, and the accuracy of this data is not universally accepted. In some cases, the 1980 Census is the most recent data source. The demographic changes and housing inflation of the 1980s make the reliability of 1980 Census data tenuous at best. Wherever possible, census data has been supplemented by state- or locally-compiled data, such as the Department of City Planning's

housing inventory series and the State Department of Finance's population estimates. Anecdotal information is also provided. The final publication of the 1990 Census and pending release of income data will allow local conditions to be described more comprehensively in the 1992 CHAS Report.

## TRENDS IN POPULATION AND HOUSEHOLD CHARACTERISTICS

### Population and Household Growth in San Francisco

After three decades of decline, the population of San Francisco increased substantially during the 1980s. Between 1980 and 1987, the city's population grew from 678,974 to 739,141, an increase of 8.9 percent. Since 1987, the State Department of Finance (DOF) estimates a slight decline in population, while the Association of Bay Area Governments indicates that population has levelled off at 740,800. ABAG projects that population will climb by 5,800 people between 1990 and 1995. By the year 2000, the city's population is projected to reach 763,800 (ABAG Projections '90), nearly equalling the 1950 peak historical population of 776,000.

A significant share of San Francisco's growth during the 1980s can be attributed to larger households. While the city gained 60,000 residents during the 1980s, the number of households grew by only about 15,000. Household size grew from 2.19 to 2.27 during the period. This trend is expected to reverse during the 1990s, with household size declining to 2.23 by 1995. As a result, an increase of just 6,900 households is projected between 1990 and 1995, exceeding the projected increase in population (ABAG Projections '90).

These changes have significant implications for housing affordability. The addition of 60,000 residents to an already dense, fully developed city has created an extremely competitive real estate market. A significant portion of the city's population has been forced to share housing, increasing household size and the potential for overcrowding. Families in the city are larger now than they were in 1980 and must seek housing in a market which caters overwhelmingly to one and two person households.

*Summary: San Francisco added 60,000 residents during the 1980s, but only added 15,000 households. This suggests that the number of large families has increased, and that more people are sharing housing due to higher costs.*

### Changes in the Age of the Population

During the 1980s, San Francisco's largest population gains were in the 35-54 age group. These changes are reflective of the aging of the "baby boom" age group and are matched by a smaller but significant increase in the number of children under 14. There were large decreases in the

numbers of persons in the 20-34 year age group, due both to the relatively smaller number of persons born during the 1960s and to migration of these individuals to suburban areas with broader family housing opportunities. Moderate gains in the 55-64 age group were reported, and the number of persons over 65 declined slightly as elderly deaths and out-migration exceeded the number of persons entering this category.

During the early 1990s, ABAG projects the greatest gains will be in the 45-64 age groups. The number of children in the 10-19 age group will also increase. The greatest decreases will be continue to be in the 25-34 age group, with slight decreases in the numbers of young children as births in the late 1980s and early 1990s fall short of their earlier levels. The elderly population is projected to decline through 1995, but should increase during the late 1990s and 2000s as the 55-64 age group reaches retirement age.

***Summary:** The trends imply that the next five years will be a time of strong demand for housing which can support families with pre-teen and teenage children. Elderly housing needs will become much more pronounced during the late 1990s and early 2000s, as the city's population grows older.*

## **Changes in Employment**

*Projections '90*, a publication of the Association of Bay Area Governments (ABAG) estimates that the number of jobs in San Francisco grew from 552,200 in 1980 to 578,900 in 1990, a gain of 26,700. This fell far short of the employment growth experienced during the 1970s, when more than 100,000 jobs were added. Employment in San Francisco has grown steadily since 1986, after a period of no net change in the early 1980s (*Projections '90*, 1990).

The city's biggest job gains have been in the business and professional services, retail, and hotel sectors. More than 17,000 business and professional service jobs were added between 1985 and 1990. Some 6,700 jobs were added in the retail and hotel sectors during the same period. The biggest decreases have been in finance, communications, and utilities. These sectors lost more than 11,000 jobs between 1985 and 1990, primarily due to the relocation of back office functions to suburban locations. Such relocation has occurred as a result of the lower costs of space, the ease of expansion, and the desire to be close to a larger, more affordable housing supply (*Residence Element*, 1990).

ABAG projects that the employment growth rate will more than double during the 1990s, with 38,000 new jobs to be added between 1990 and 1995. Most of the new jobs are expected to be in the professional, services, transportation, construction, and retail sectors.

A growing percentage of new city workers are living outside the city. The number of persons commuting to jobs in San Francisco is projected to grow from 245,000 in 1988 to 280,000 by 1995 (Residence Element). In other words, a majority of the jobs to be created during the 1990s will be filled by commuters rather than city residents. This is partially due to the limited housing opportunities and high housing costs associated with San Francisco.

*Summary: About 38,000 jobs are expected to be created during the 1990-1995 period. As in the past, the greatest growth will be in services and a majority of the new jobs created will be filled by persons living outside the city.*

### **Racial/Ethnic Concentrations**

San Francisco is an ethnically diverse city that became even more diverse during the 1980s. Ethnic groups were estimated to comprise over 53 percent of the city's population in 1990, up from 26 percent in 1970. In 1986, the city's population was about 43 percent white, 28 percent Asian and Pacific Islander, 11 percent African-American, 14 percent Hispanic, and 0.6 percent other non-white groups (1990 Census).

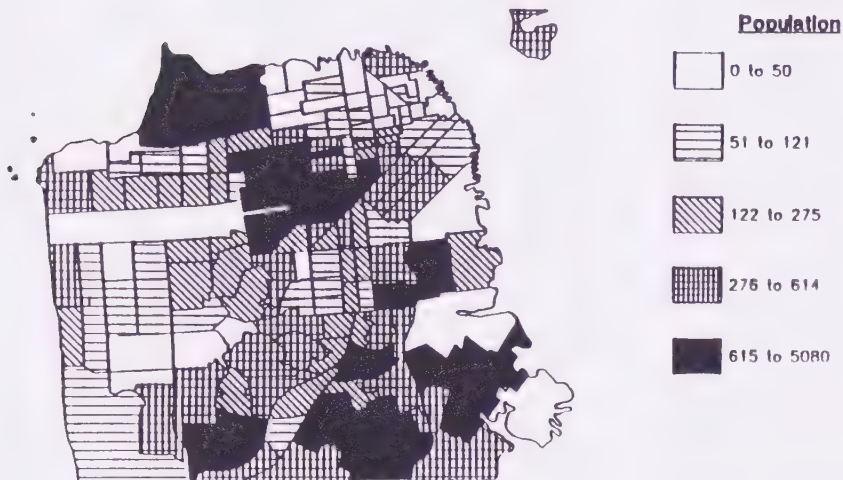
Figure 2-1 indicates the concentrations of the major ethnic groups within the city. Although the maps reflect data which is more than ten years old, the propensity for ethnic groups to be concentrated in particular neighborhoods remains true today. The Hispanic population is predominant in the Inner and Outer Mission Districts. The Filipino population is predominant in the Excelsior District and other neighborhoods in the south central part of the city. The Chinese population is concentrated in Chinatown and in the Richmond and Sunset Districts. African-American concentrations occur in the Western Addition, South Bayshore, and Ingleside Districts. Vietnamese people are concentrated in the North of Market area.

Although these patterns of ethnic concentration are rooted historically in discriminatory housing practices, such concentrations may actually facilitate the process of immigration and resettlement. Access to native language services has been a prime motivation for more recent immigrants to concentrate in particular neighborhoods (Shavit, 1983). For example, unless senior services are provided in a linguistically and culturally appropriate setting, many minority seniors could not participate and would suffer from debilitating isolation (Hirayama, 1983). Thus, some concentrations of minority groups are not the result of exclusionary barriers but are a reflection of resident choice and positive adaptive strategies to a new society and culture.

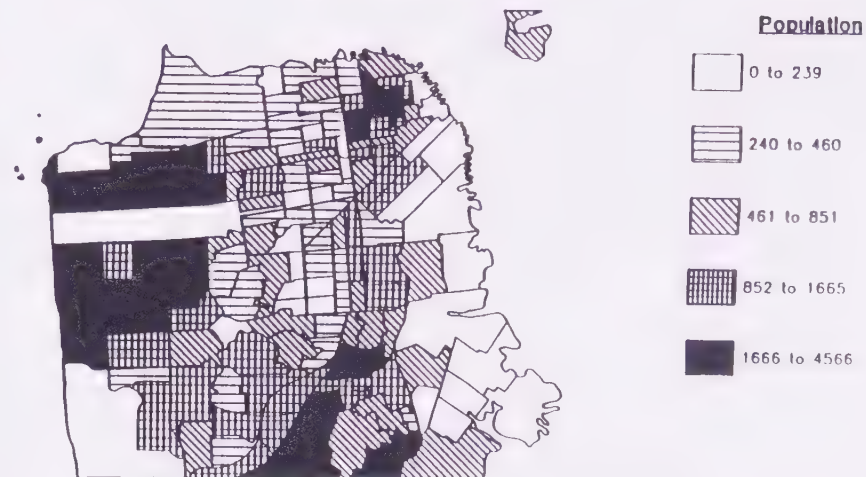
Whether ethnic enclaves such as Chinatown and the Mission District reflect past segregation or present adaptive choices, many concentrations of racial minorities are being uprooted by private development and gentrification. The evidence indicates that such forced displacement is likely to result in relocation to even less satisfactory conditions and the loss of access to support networks and programs (LeGates and Hartman, 1981). Protections against such involuntary

# FIGURE 2-1: 1980 RACIAL AND ETHNIC CONCENTRATIONS IN SAN FRANCISCO

## African American Population 1980 by Census Tracts



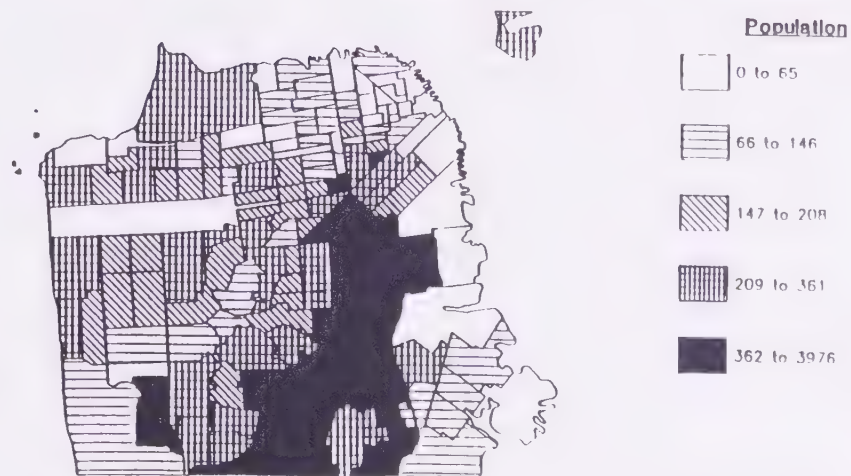
## Asian Pacific Islander Population 1980 by Census Tracts



## Hispanic Population 1980 by Census Tracts



## Other Races Population 1980 by Census Tracts



In addition to changes through new construction, the city's housing stock is also impacted by demolitions and alterations. There were 1,508 units demolished during the 1980s, primarily single family homes. Alterations have added about 75 units per year in recent years, both from the conversion of commercial space to residential or live-work space, and from the addition of units to existing buildings. There are also illegal units which are eliminated each year through code enforcement.

Future Prospects. The 1990 Residence Element identifies the potential for 42,000 new housing units in San Francisco, located primarily on underutilized sites in the eastern half of the city. Some 580 acres of land have been inventoried as suitable for residential development. One-third of the city's housing potential is located in the Mission Bay and South Bayshore redevelopment areas. Another third is located to the south of the central business district in the South of Market, South Van Ness, North Mission, Central Waterfront, and Rincon Point/Rincon Hill areas. The balance of the city's housing potential is located in other mixed use districts, including the Van Ness Corridor, North of Market, and the Fillmore and Yerba Buena Center projects; in neighborhood commercial districts; on vacant residential sites; on surplus public lands; and on sites which are not built to their full potential under the city's zoning ordinance.

The Residence Element estimates that about 25,800 units could be built by 1995. However, a continuation of historic trends suggests that only about 10,000 units will be built over the period.

**Summary:** San Francisco is the second most dense large city in the country. Two-thirds of its housing is multi-family, and 90 percent of these units are occupied by renters. Compared to other American cities, units tend to be small and vacancy rates are very low. About 2,000 units a year were built during each of the last three years, mostly in redevelopment areas. About a quarter of the units built during the last five years were "affordable." There is a potential for 42,000 new dwelling units in the city, mostly in underdeveloped industrial or downtown fringe areas.

## Assisted Housing

"Assisted Housing" describes housing which is developed, rented or sold at below market rates as a result of any of a number of federal, state, or local programs. The affordability of this assisted housing units is maintained through ongoing subsidies to tenants or landlords, site acquisition and construction subsidies to housing developers, or requirements placed on for-profit developers as a result of the city's inclusionary zoning requirements. There are about 23,000 units in San Francisco which are assisted in these ways, representing about 7 percent of the city's housing stock. Table 2-1 indicates the current inventory of assisted units in San Francisco.

**Table 2-1: Citywide Inventory of Publicly Assisted Housing**

<u>Program</u>	<u>Total No. of Units</u>	<u>Elderly/Disabled Units</u>	<u>Family Units</u>
Public Housing (SFHA)(*)	6,688	2,001	4,687
Project-Based Subsidies			
o Principal HUD Program used to subsidize project			
-- Section 202	1,623	1,421	202
-- Section 221(d)(3)	1,310	663	647
-- Section 221(d)(3) BMIR	966	--	966
-- Section 221(d)(4)	1,135	760	375
-- Section 236	3,501	2,048	1,453
-- Section 231	35	35	--
-- HODAG	258	189	69
-- Section 8 Mod-Rehab(**)	171	N.A.	N.A.
-- Other federal programs	822	282	540
Tenant-Based Subsidies			
o Section 8 Certificates(**)	2,483	245	2,238
o Section 8 Vouchers(**)	789	326	463
o Section 8 Aftercare(**)	142	142	--
State and Locally-Assisted BMR	2,804	N.A.	N.A.
Inclusionary Units	655	N.A.	N.A.
TOTAL	23,082	N.A.	N.A.

Source: SFHA (1991), MOHCD (1991), California Rural Housing Coalition (1991)

Notes:

N.A. = Not Available

(\*) includes 361 units of rehab and new construction

(\*\*) includes actual number of leases rather than approved number of units

The geographic distribution of assisted units is shown in Table 2-2<sup>1</sup>. All 15 of the city's planning districts have some lower income units; however, seven districts contain 90 percent of the units. Family units are concentrated in the Western Addition, South Bayshore, and South Central districts, and elderly units are concentrated in the Downtown, South of Market, and Western Addition areas. The Mission and Northeast districts also contain sizeable quantities of low-income assisted housing.

**Table 2-2: Geographic Distribution of Federally Assisted Rental Projects**

District	Number of Sites	Number of Family Units	Number of Elderly Units	Total Units
Richmond	4	63	315	378
Marina	2	0	138	138
Northeast	8	437	603	1,040
Downtown	18	19	1,863	1,882
Western Addition	40	3,258	1,903	5,161
Buena Vista	1	0	90	90
Central	8	437	298	735
Mission	18	740	577	1,317
South of Market	8	606	1,174	1,780
South Bayshore	12	2,094	139	2,233
Bernal Heights	4	279	49	328
South Central	3	1,361	0	1,361
Ingleside	2	17	0	17
Inner Sunset	1	0	30	30
Outer Sunset	<u>1</u>	<u>8</u>	<u>0</u>	<u>8</u>
<b>CITYWIDE TOTAL</b>	<b>130</b>	<b>9,319</b>	<b>7,179</b>	<b>16,498</b>

*Source: Residence Element, 1990*

**San Francisco Housing Authority (SFHA) Public Housing.** Since 1937, the San Francisco Housing Authority has been serving very low income families, elderly, or disabled persons. Rents are calculated based on 30 percent of resident adjusted income. There are 6,688 public housing units in the City, including 158 units undergoing major rehab and 203 units of new construction. About one-third of the existing units serve elderly households, while the balance serve families.

The SFHA has established a preventive maintenance program and conducts regular inspections of its units. There were 1,564 units renovated between May, 1989 and August, 1990. Through

<sup>1</sup> The total number of units shown is less than the total in Table 2-1 because it excludes State and Locally-Assisted BMR units, Section 8 Certificate, Voucher, and Aftercare units, and Inclusionary units. Data on projects receiving HUD subsidies, including public housing projects, is approximately two years old, and reflects totals which are somewhat lower than those in Table 2-1.

the renovation program, the SFHA has reduced its backlog of vacant units so that the vacancy rate for family units is now 0.9 percent, while the vacancy rate for elderly units is 0.2 percent (Correspondence from SFHA, July 29, 1991).

No overall loss of SFHA units is expected during the next five years due to demolition or conversion to homeownership. All comprehensive rehabilitation and major reconstruction of existing development will be phased to avoid displacement. At most, temporary relocation within a complex might be required. Major reconstruction of obsolete projects may result in a reduction of units on some sites; however, these units would be replaced on a one-for-one basis at other locations (Correspondence from SFHA, July 29, 1991)

Housing Receiving Project-Based Federal Subsidies. There are 9,821 units in projects which either had federally-insured mortgages (accompanied by affordability requirements), or federal subsidies which provided the owners of these units with the difference between 30 percent of the tenants' income and a HUD established rent for the units (the 1990 Residence Element reported 9,976 units in this category, including 6,015 non-profit units and 3,961 for-profit units. The difference can be attributed to changes in the inventory that have occurred in the last two years and different reporting methods). About 54 percent of the households participating in the program were elderly, while about 46 percent were families.

Tenant Based Subsidies. The SFHA leased housing programs provide direct assistance payments to property owners for families, elderly, and disabled individuals, allowing the household to secure private housing of their choice. Part of the reason for their success is that the Section 8 programs allow families to retain their dignity by blending in with other families without being identified as being poor. No one except the landlord has to know that they are receiving public assistance.

Most of the Section 8 Voucher and Certificate projects will expire during the 1991-1992 fiscal year. The HUD regional office has indicated that they will be replaced by a five-year Annual Contribution Contract (ACC) before the expiration date. The first of the certificates expired in November, 1990. The SFHA received approval for replacement for the same number of units with higher budget authority for five years.

Other Assisted Housing Units. About 2,800 below market rent units have been produced or rehabilitated with state and local financial assistance programs. State programs include the Deferred Payment Rehabilitation Loan Program, the Special User Housing Rehabilitation Program, the State Predevelopment Loan Program, and California Housing Finance Agency predevelopment loans. Local programs include the Housing Site Acquisition Program (CHRP), the Hotel Room Tax Low Income Housing Fund (HTF), the Office Affordable Housing Production Program (OAHPP), the Condo Conversion Ordinance fund, the Housing Affordability Fund (HFF), and the Multi-family Mortgage Revenue Bond program. In addition to units produced through these programs, there are over 600 affordable units produced through the city's inclusionary zoning requirements.

*Summary: The affordability of about 7 percent of the city's housing stock has been established through federal, state, and local housing programs. A majority of the assisted units receive federal subsidies, including over 6,600 units of public housing, 9,800 units in privately owned projects, and 3,400 rent certificates. In addition, nearly 3,500 affordable units have been produced through state and local programs.*

## Structural Condition and Habitability

According to the 1990 Residence Element, an estimated 93,000 units in San Francisco--some 28 percent of the housing stock--have rehabilitation needs which need to be addressed. The number of housing units needing rehabilitation, upgrading, or seismic retrofitting is summarized in Table 2-3, followed by a discussion under each of the major problems of physical condition.

**Table 2-3: Housing Rehabilitation Needs**

	<u>Units to 1995</u>
1. Private Housing Rehabilitation	
a. Unassisted	55,000
b. Publicly Assisted	9,900
2. Public Housing Rehabilitation	4,290
3. Earthquake Damage Repair	14,100
4. Seismic Retrofit (UMB)	<u>10,000</u>
TOTAL	93,290

*Source: Residence Element, 1990*

Private Housing Rehabilitation. Restoration, remodeling, and maintenance is an on-going activity throughout the City. In 1988 alone, the Department of City Planning processed about 5,400 alteration permits, the majority of which were for residential improvements. The City's 1988 Housing Assistance Plan (HAP) indicated that some 6,000 owner-occupied units and 34,000 renter-occupied units were substandard. Table 2-4 indicates that 558 of the substandard owner occupied units and 24,630 of the substandard rental units were occupied by lower-income minority households, including 4,625 elderly households. The HAP also indicated that 20,500 of the substandard rental units in the city were "suitable for rehabilitation," meaning they lacked complete plumbing or violated one or more Housing Code requirements.

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**Table 2-4: Lower-Income Minority Households in Substandard Housing**

	<u>Total</u>	<u>Elderly</u>	<u>Small Family</u>	<u>Large Family</u>
African-American				
o Owner	166	18	45	103
o Renter	10,941	1,750	1,860	
Native American				
o Owner	10	1	1	2
o Renter	466	98	280	88
Hispanic				
o Owner	161	21	27	113
o Renter	6,828	1,434	4,165	1,229
Asian/Pacific Islander				
o Owner	221	9	40	172
o Renter	6,395	1,343	3,901	1,151

---

*Source: 1988 Housing Assistance Plan*

According to San Francisco Bureau of Building Inspection staff, most serious rehabilitation needs are likely to be found in one and two unit structures, rather than in larger multi-unit structures. Duplex units occupied by low income households account for the majority of rehabilitation needs. A high rehabilitation need is also evident in many lower income residential hotels (Residence Element, 1990).

Since 1980, about 800 lower income units per year have been rehabilitated by non-profit housing organizations and other sponsors with financial assistance by the Mayor's Office of Housing. The Mayor's Housing Assistance Plan and non-profit housing organizations have estimated a rehabilitation need through 1995 of about 1,800 low and moderate income units per year, or a need which is over twice the current level of funding. The estimated rehabilitation cost per unit is about \$15,000 (Residence Element, 1990).

Public Housing Rehabilitation. All of the SFHA units serve very low and extremely low income households. Over 6,200 of these units are in projects requiring more than \$5,000 per unit in rehabilitation in the next five years. Most of the SFHA buildings are more than 30 years old. As a general result of age and heavy use, major portions of these structures have suffered substantial deterioration. In addition, many of these developments suffer from poor initial design, which will continue to result in serious management problems until redesign occurs.

Structural condition and habitability issues at the SFHA need to be comprehensively addressed. Recognizing this, extensive needs assessments and improvement plans have been developed, both for management and physical condition. These assessments and plans provide a strong basis for taking action, specifying items to be accomplished, and detailing costs. Identification of funding sources is the primary task remaining to be accomplished in this plan of action.

An independent consultant retained by the SFHA has estimated that the 20-year cost of modernizing all facilities is about \$350 million. Approximately \$134.5 million is needed immediately for major reconstruction and modernization of Sunnydale, Hayes Valley North and South, Yerba Buena Plaza East, Potrero Terrace and Annex, Bernal Dwellings, Westbrook Apartments, and Hunters View.

Earthquake Damage Repair. The estimate of damage from the October, 1989 earthquake indicated that over 1,600 residential buildings containing 14,800 units were affected. Of these buildings, about 1,500 units had severe structural damage. Some were demolished and others became unsafe for occupancy. Another 3,600 units in 430 buildings sustained lesser structural damage, requiring lower repair costs (Residence Element, 1990). While there is no estimate of how many low-income households live in quake-damaged units, the number is estimated to be significant. Many of the neighborhoods hardest hit by the earthquake contain large concentrations of low-income housing, especially residential hotels.

Seismic Retrofitting. There are approximately 21,100 units in approximately 770 unreinforced masonry buildings, most of which are occupied by low income households. The extent and phasing of retrofit work is under study by the City. It is estimated that \$8,000-20,000 per unit of public subsidies will be needed to rehabilitate and seismically upgrade these buildings if their low rents are to be maintained. In addition to the unreinforced masonry buildings much of San Francisco's older housing stock needs some sort of seismic upgrading, including bolting foundations and structural reinforcement. The city has set a target of retrofitting the remaining unreinforced masonry housing stock during the next 13 years; this will require an average annual retrofit of over 1,600 units.

Replacement Housing Needs. The City also needs to replace units which are lost due to demolition or conversion to other uses. Table 2-5 indicates replacement needs due to earthquake loss, other demolition, elimination of illegal second units, and conversion to non-residential use.

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**Table 2-5: Summary of Replacement Housing Needs to 1995**

	<u>Need, 1990-1995</u>
1. Demolition due to Earthquake	
o SRO Units	500
o Other Units	200
2. Other Demolition and Replacement	275
3. Loss of Secondary Units	400
4. Conversions to Commercial Use	<u>200</u>
<b>TOTAL</b>	<b>1,575</b>

---

*Source: Residence Element, 1990*

***Summary:** More than one-quarter of the city's housing is in need of rehabilitation. Most of this housing is occupied by lower income households, including most of the SFHA public housing projects. About 1,500 units will be needed to replace lost housing units in the city.*

## **THE EFFECTS OF MARKET CONDITIONS ON HOUSING AFFORDABILITY**

### **Affordability Gap**

San Francisco has experienced a widening gap between housing costs and personal income. It is estimated that only 7 percent of San Francisco households can afford the price of the average San Francisco single family home, compared to 47 percent nationwide. Only 30 percent of the City's households can afford the median priced two-bedroom rental apartment (Residence Element, 1990).

A single person in San Francisco working full time at minimum wage would need to spend 88 percent of his or her income to afford the median priced studio apartment. This is three times the percentage of income usually considered appropriate for rent. The ability to meet housing costs becomes more difficult for single parents with dependent children, persons who are unemployed or unable to work, and those with high health care costs.

Table 2-6 illustrates the gap between market rate rental housing prices and what lower income households can afford. The gap is more acute for larger family households, as the addition of dependents reduces the ability to pay (due to the added costs of dependent care) at the same time that larger and more expensive living quarters are required.

Table 2-6: Rental Affordability for Lower Income Households, 1989

	House- hold <u>Size</u>	Unit <u>Size</u>	Maximum Annual <u>Income</u>	Affordable Monthly Rent <u>Payment</u>	Market Rate Rents for Apart. Units <u>Citywide Avg.</u>	Rental Affordability <u>Gap</u>	Percent Mkt. Rent over Affordable <u>Rent Levels</u>
Extremely Low Income	1	St/1-BR	\$8,738	\$218	\$663	\$445	204%
	2	1-2 BR	\$9,975	\$249	\$921	\$672	270%
	3	2-3 BR	\$11,225	\$281	\$1,185	\$904	322%
	4	3-4 BR	\$12,425	\$312	\$1,350	\$1,038	333%
	5	4 BR	\$13,475	\$337	\$1,403	\$1,066	316%
Very Low Income	1	St/1-BR	\$17,475	\$436	\$663	\$227	52%
	2	1-2 BR	\$19,950	\$498	\$921	\$423	85%
	3	2-3 BR	\$22,450	\$561	\$1,185	\$624	111%
	4	3-4 BR	\$24,950	\$623	\$1,350	\$727	117%
	5	4 BR	\$26,950	\$673	\$1,403	\$730	108%
Low Income	1	St/1-Br	\$27,960	\$699	\$663	--	0
	2	1-2 BR	\$31,920	\$798	\$921	\$123	15%
	3	2-3 BR	\$35,920	\$898	\$1,185	\$287	32%
	4	3-4 BR	\$39,920	\$998	\$1,350	\$352	35%
	5	4 BR	\$43,120	\$1,078	\$1,403	\$325	30%

Table 2-7: Rental Affordability By District

		Market Rate Rents for <u>2-bdrm apt.</u>	Affordability Gap Very Low <u>(\$495/mo)</u>		Percent Over Rents Affordable by <u>Very Low</u>	
				Low <u>(\$680/mo)</u>		<u>Low</u>
1.	Northeast	1,450	955	770	192%	113%
2.	Marina	1,205	710	525	143%	77%
3.	Richmond	1,052	557	372	112%	54%
4.	Central	989	494	300	99%	44%
5.	Buena Vista	960	465	280	93%	41%
6.	Inner Sunset	950	455	270	91%	39%
7.	Downtown	860	355	180	73%	26%
8.	Outer Sunset	850	355	170	71%	25%
9.	South of Market	847	352	167	71%	24%
10.	Western Add'n	831	336	151	67%	22%
11.	Bernal Heights	814	319	134	64%	19%
12.	Ingleside	800	305	120	61%	17%
13.	Mission	798	303	180	61%	17%
14.	South Central	766	271	86	54%	12%
15.	South Bayshore	741	246	61	29%	8%
Citywide Average		\$928	\$433	\$251	87%	37%

Source: 1990 Residence Element

Table 2-7 illustrates the areas where the affordability gap is most pronounced. The Northeast Area (Chinatown, North Beach, Russian Hill, Nob Hill, Telegraph Hill, Polk Gulch) and Marina District (Marina, Pacific Heights, Cow Hollow) contain the city's most expensive rental housing stock. The gap between median household income (citywide) and rents is highest in these areas. The most affordable housing is located in the South Bayshore (Bayview, Hunters Point) and South Central (Excelsior, Visitacion Valley) Districts. However, as incomes in these areas are substantially lower than the citywide average, the gap between neighborhood income and housing costs is conceivably greater in these areas than in any other part of the city.

### **Housing Production For Renters and Owners**

Market conditions during the 1980s significantly affected the type and tenure of housing that was built. Non-profit housing organizations in San Francisco primarily built lower income rental housing while for-profit builders primarily built rental housing for moderate income households and ownership housing for above moderate income households. Affordable homeownership developments accounted for less than 5 percent of the units built from 1980 to 1990 (Residence Element, 1990). During the period 1980 to 1988, there were 2,638 units of housing built which were affordable to low and moderate income households; 76 percent were rental, 14 percent were co-operatives, and 10 percent were owner-occupied. A majority were built specifically for the elderly. About two-thirds of the affordable units were built in redevelopment areas and about half were built by non-profits.

Affordable housing production in the city has been constrained by the high cost of land, which accounted for 50 percent of the cost of a single family home in 1990. The city's Residence Element estimates that an average subsidy of \$30,000-60,000 per unit is needed to make housing affordable to most San Francisco households. Such a subsidy can be provided through several approaches, including elimination of developer profit margins (constructing non-profit housing), underwriting the cost of land (as is done by the Redevelopment Agency), and reducing interest rates. The city has also used regulatory tools, such as inclusionary zoning (requiring 10 or 20 percent of the units in a market rate project to be set aside for low income households), as a means of encouraging affordable housing production. The private sector has responded to high construction and land costs by producing smaller units and higher density projects.

Compounding local trends, the Federal and State governments have cut back most new construction and rehabilitation funds for lower-income households. These cuts make it extremely difficult for the city to meet its housing objectives. As a result, local programs have been developed to expand the number of housing sites available, regulatory incentives for the production of housing have been implemented, office developers have been required to assist the city in meeting its housing needs, and the city has created a favorable regulatory climate for new affordable housing construction.

The prohibitively high cost of homeownership may force would-be homebuyers into the rental market (or into the suburbs) during the 1990s. The monthly payment on the median priced home in San Francisco was \$2,606 in 1989, which is far beyond the means of most local residents. Average home prices in the city rose twice as fast as average rents during the 1980s, placing greater pressure on the rental market to meet the city's housing needs. Conversely, the rapid increase in home prices has created a backlogged demand for affordable owner-occupied units which must be considered in any assessment of the city's housing needs.

## **Overcrowding**

As mentioned throughout this Profile, market conditions have forced many San Francisco households into units which are not large enough to meet their needs. Although household size increased during the 1980s and thousands of large immigrant households migrated to San Francisco, a relatively small percentage of the units built during the decade were suitable for families. This deficiency was compounded by soaring rents, which made the few large units that were available far too expensive for the households that needed them most.

The problem has been particularly severe for large immigrant households, many of whom are in the lowest income categories and are unable to afford units with two or more bedrooms. Moreover, for a variety of reasons, immigrants have tended to concentrate in neighborhoods like the Tenderloin, Chinatown, and Mission, which are the least suited for families in terms of their housing stock. The extent of overcrowding is difficult to measure due to the lack of current census data, the lack of demographic data on families that have "doubled up" in shared units or moved into SROs, and the arguable definition of what constitutes an overcrowded unit. However, given the rapid growth of the lower income immigrant population and the slow rate of construction of affordable rental units with two or more bedrooms, the 1990 Census is expected to show significantly more overcrowding than the 1980 Census.

## **Meeting the Needs of Specific Groups**

During the 1980s, the private market favored the production of housing units for one and two person households with moderate and above moderate incomes. Due to the high cost of land in the city, it was infeasible for private developers to build housing which was affordable to lower income households without deep public subsidies. The attractiveness of the city to middle and upper income households created strong demand for market rate units, leaving few incentives for developers to produce lower income housing. Such incentives were necessarily created by local government, by offering financial assistance to developers and using regulatory tools such as inclusionary zoning and density bonuses.

There were virtually no market-driven incentives to produce new housing for lower income groups with supportive service needs. Such housing has always required public subsidy due to the intrinsically high cost of providing disabled access, health care, counseling, and other services in conjunction with housing, and to the constrained ability of tenants to pay for their housing. As a result of rising construction and health care costs, and tumbling federal subsidies and

income assistance programs during the 1980s, housing with supportive services was not produced in sufficient quantities. In some categories, such as board and care homes, there were actually significant decreases in stock.

Additional funds are needed to construct and maintain housing for groups with specific needs. This Community Profile has found that groups who are particularly under-served are large families, and persons with physical or psychiatric disabilities, terminal illnesses, family problems, and substance abuse problems.

### **Use of Funds Available for Rental Assistance programs**

Market conditions will influence how and where rental assistance funds are distributed during the next five years. Those households with the lowest incomes are located in the Western Addition, South Bayshore, and South Central neighborhoods. However, the housing affordability gap is greatest in the more affluent parts of the city, namely the Northeast and Marina neighborhoods. The city must weigh the policy option of creating additional housing opportunities for families in areas where the level of need is greatest, or creating new opportunities for rental assistance in areas where there are very few opportunities at the present time.

The Needs Assessment and Inventory Section have pointed to the need for a rental assistance program with strong rehabilitation and affordability-preservation components, as well as new construction components. Assistance will be needed to protect the affordability of units in projects with expiring federal subsidies or federally-insured mortgages, and to rehabilitate deteriorating units in these buildings, public housing, and other housing in which lower income renters reside. The city's very low vacancy rate suggests that major expansion of the Section 8 certificate and voucher program would not be prudent, since there are few vacant units in the city for which certificate/voucher holders would be eligible. The low vacancy rate also indicates the need to increase the affordable housing stock through new construction; the rate of affordable housing production will need to more than double to meet projected needs over the next five years.

Strategies for allocating rental assistance funds are identified in the next chapter.

### **Housing Rehabilitation Funds**

Current and anticipated conditions suggest that housing rehabilitation will continue to be an important part of the city's assistance program. With more than one-quarter of the housing stock in need of repair, most occupied by lower-income renters, rehabilitation assistance needs are significant. There is a great deal of interest in maintaining the integrity and character of San Francisco's neighborhoods by preserving and reinvesting in its historic housing stock. At the same time, the threat of gentrification as a result of rehabilitation and reinvestment is greatest in lower income neighborhoods.

Rehabilitation assistance programs may need to be accompanied by measures to maintain affordable rent structures so that low income households are not displaced from their units as they are brought up to code. Presently, tenants in units which are rehabilitated through rental rehab programs have the right to reoccupy their units when work is complete, provided they meet HUD income guidelines.

There are also a growing number of elderly and disabled residents who face displacement from their homes due to declining health or mobility. There is an anticipated need for new and expanded programs which assist such households in retrofitting their homes so that they are not displaced. Priorities for rehabilitation and adaptive housing are identified in the Strategies Section.

### **Acquisition of Existing Units for Affordable Housing**

The high cost of land and new construction in San Francisco, coupled with the large number of housing units needing rehabilitation, suggest that most of the city's programs for very low income households will utilize existing buildings rather than new buildings. For instance, the city's Modified Payment Program (for extremely low income households) utilizes existing residential hotels. Additional opportunities exist in vacant, underutilized (and sometimes non-residential) buildings. Acquisition programs will also focus on projects with expiring subsidies and federally-insured mortgages. In some cases, efforts to transfer ownership of these projects from for-profit to non-profit entities will be needed to ensure their continued affordability.

New construction may be more feasible for households earning between 50 and 80 percent of median income. The greatest opportunities for such construction are in the city's redevelopment areas, and in the underutilized industrial areas in Mission Bay and the South Bayshore. Such housing is likely to be produced through redevelopment, inclusionary zoning policies, and by non-profit developers through a continuation of the state and local assistance programs described earlier.

# INVENTORY OF FACILITIES AND SERVICES FOR PERSONS WITHOUT HOUSING

## Introduction

San Francisco's current homeless program was initiated in 1982 when the city committed about \$600,000 to partially finance shelters operated by charitable and religious organizations. At that time, a Homeless Task Force was created and the city adopted a policy guaranteeing shelter to anyone in need. The following year, the Department of Social Services (DSS) began its "hotline" hotel program, referring people in need to central city SROs with vacant rooms.

Today, nearly 1,500 people receive some form of emergency shelter each night in San Francisco. An additional 400 people are in transitional programs for formerly homeless persons, including recovering alcoholics, persons with AIDS/ARC, psychiatric disabilities, and veterans. There are also 1,000 people participating in the DSS Modified Payment Plan, which diverts a portion of a recipient's General Assistance check to an SRO landlord. Although the latter group are not technically homeless, the Modified Payment Plan is not intended as a permanent housing program.

## Facilities

Emergency Facilities. Emergency shelters are intended to provide a temporary place to stay for individuals who have no place else to sleep. Due to the lack of low cost permanent housing, shelters have become semi-permanent residences for many persons. This situation has resulted in overcrowded, sometimes unsanitary conditions, and in a high rate of "turnaways" from a system which is always filled to capacity. In May, 1991 alone, there were more than 2,200 turnaways from the shelters.

The status of emergency shelter in San Francisco changes monthly, with a larger number of beds available in the winter than in the summer. In June, 1991, the city's shelters had a sleeping capacity of 1,114, with an additional 100-400 beds available in the hotline hotel rooms. This was a reduction of about 150 beds from the March, 1991 tally. In the emergency shelters, there were sleeping facilities for 668 single adult males, 288 adult females (and their children), 120 persons in families, and 38 unaccompanied youth. The hotline hotel rooms primarily serve single adults. An inventory of the city's shelters is shown in Figure 2-2.

The shelters usually have specific hours during which people are admitted on a first-come, first-served basis. Most restrict the length of stay to a period between two weeks and 90 days; however, some require reapplication after just one night, and others have no maximum length of stay.

FIGURE 2-2: CHARACTERISTICS OF EMERGENCY SHELTERS: SAN FRANCISCO, 1991

Name	Group Served	Sleeping Capacity	Maximum Length of Stay	Daily Charge	Meals	May, 1991 Turnaways	Location
Asian Women's	Asian Women	10	9 weeks	\$0-5	Kitchen	6	Mission
Canon Kip	Men, All Ages	60	30 days	none	2 daily	12	SOMA
Diamond Youth	M/F aged 12-17	20	20 days	none	2 daily	0	Central/Haight
Dolores Street	Latino Men	17	90 days	none	2 daily	58	Mission
Episcopal	Adults over 18	Men: 139 Women: 101	N.A. N.A.	none	3 daily	460	SOMA
Hamilton	Families	70	30 days	\$5	2 daily	19	Central/Haight
Hospitality House	Men, over 18	50	varies	none	none	102	NOMA
Hospitality House	M/F, 15-18	12	6 months	none	3 daily	0	NOMA
Huckleberry House	M/F, 12-18	6	2 days	none	3 daily	0	Central/Haight
La Casa de las Madres	Battered Women/Kids	25	8 weeks	none	3 daily	N.A.	Mission
Missionaries of Charity	Pregnant Women	17	until 1 mo. after birth	none	3 daily	0	Mission
NOMA MultiService Ctr.	Adults over 18	Men: 130 Women: 70	day lottery	none	2 daily	204	NOMA
SOMA MultiService Ctr.	Men over 18	200	day lottery	none	2 daily	364	SOMA
Raphael House	Families	50	4 weeks	\$3/adult	3 daily	0	NOMA
Rosalie House	Battered Women	20	6 weeks	\$6/adult	2 daily	34	Mission
St. Anne's	Single Men	16	90 days	none	2 daily	78	Mission
St. Anthony's	Women/ Kids	45	none	none	1 snack	0	NOMA
Salvation Army	Men over 18	56	14 days	none	2 snacks	98	NOMA
TOTAL		1,114					

Abbreviations:

SOMA: South of Market

NOMA: North of Market

FIGURE 2-3: SERVICES OFFERED BY EMERGENCY SHELTERS: SAN FRANCISCO, 1991

Name	Education	Child Care	Art Program	On-Site Counseling	Health Care	Mail/Messages	Pre-Natal Care	Drug/Alcohol Rehab	Referrals	Mental Health	Job Counseling	Clothing	Baby Care	Athletics
Asian Women's		x		x		x			x		x	x		
Canon Kip				x		x			x					
Diamond Youth				x		x		x	x		x	x		
Dolores Street	x					x			x					
Episcopal	x				x	x			x		x	x		
Hamilton	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Hospitality House-Adults			x	x	x	x			x	x	x	x		
Hospitality House-Youth	x		x	x		x		x	x		x	x		
Huckleberry House	x			x	x				x	x		x		
La Casa de las Madres				x		x			x					
Missionaries of Charity				x	x	x	x		x			x		
NOMA MultiService Ctr.				x	x	x		x	x	x		x		
SOMA MultiService Ctr.				x		x		x	x	x		x		
Raphael House	x		x	x		x			x			x		x
Rosalie House		x		x		x			x		x	x		
St. Anne's						x			x					
St. Anthony's	x			x	x	x	x		x	x	x	x	x	
Salvation Army				x	x	x			x	x		x		

Shelter capacity and services are summarized in Figure 2-3. The level of supportive services provided at each shelter varies with the size of the shelter and the specific sub-population served. At a minimum, the shelters provide sleeping quarters, bathrooms and showers, mail and message receipt, and housing referral services. The most comprehensive services are provided at the two Multi-Service Centers north and south of Market. These centers function as central intake facilities which help people with specific needs reach the appropriate service provider. They offer shelter, clothing, food, health care and case management. Other shelters with extensive services are Episcopal Sanctuary, Hamilton Family Shelter, Hospitality House, and St. Anthony's.

The city's shelters are heavily concentrated in the North and South of Market neighborhoods. About 45 percent of the sleeping capacity is located South of Market, and 37 percent is located in the North of Market area. The Mission District and Central/Haight areas each have about 9 percent of the total sleeping capacity.

In addition to the shelters, AFDC provides emergency housing assistance cash grants to homeless families, AFDC recipients, or AFDC eligible families. Eligible families receive \$210 a week for three weeks.

Transitional Facilities. There are a number of transitional housing programs for persons with specific needs. These include programs for persons with AIDS or ARC, battered women, the psychiatrically disabled, recovering alcohol and drug abusers, veterans, and youth.

- o *Persons with AIDS or ARC.* There are about 100 beds in transitional housing programs for persons with AIDS or ARC. The San Francisco AIDS foundation has an emergency housing program which provides short-term residence in a flat or hotel room while assisting people with locating longer term housing. The Shanti Residence project provides 47 beds in 12 flats for people with AIDS/ARC who are capable of living independently in a shared arrangement. The Peter Claver community, operated by Catholic Charities, houses 32 people with AIDS/ARC in a facility which offers a range of counseling and health care services. There are also two group homes for families with AIDS/ARC; Catholic Charities operates Rita de Cascia House, with 6 beds, and Shanti operates a home with 5 beds.
- o *Battered Women.* Lifeline Women's Shelter provides a 3-4 month residential program for women (and their children) making the transition to independent living.
- o *Psychiatrically Disabled.* San Francisco Support Services provides a program for homeless mentally disabled persons which offers housing at four hotels, accompanied by case management, group social programs, and vocational rehabilitation. In April, 1990, there were 188 persons participating in this program.

In addition, a number of residential care facilities are available to GA and SSI recipients. Baker Places, Inc. operates three residential programs in which residents address emotional

difficulties and develop independent living skills. Residency is limited to 3 to 5 months. Northeast Lodge operates sub-acute and acute residential treatment services for adults, with guests staying an average of 45 days. Progress Foundation runs four residential care programs, including an acute (2-4 week) program for up to 28 people in three group homes, a transitional (three month) program for up to 23 people in two group homes, a (fifteen month) shared apartment program for up to 38 people, and two group homes for seniors with an average stay of six months. Finally, Westside Lodge has a residential mental health program.

- o *Recovering Alcohol and Drug Abusers.* There are 54 beds in de-tox centers, 420 beds in residential recovery facilities, and 222 units of sober housing (for persons who have completed rehabilitation programs). Residential recovery facilities are discussed here.

The Arlington Hotel provides 130 beds for people who have completed alcohol rehabilitation programs. The Salvation Army operates Harbor Light (for men) and Pinehurst Lodge (for women); both provide six month to one year residential recovery. Delancey Street operates a two year recovery program which is also open to parolees. The St. Anthony Foundation operates Covenant House, providing 6-month residential care for persons in a twelve-step recovery program. Walden House offers an 18-month recovery program for recovering drug addicts. Finally, the Women's Alcoholism Center has a six months to one year program for alcohol and drug-addicted women and their children.

- o *Veterans.* Swords to Plowshares provides transitional housing for 15 veterans in conjunction with its counseling and job training programs.
- o *Youth.* Guerrero House, operated by Catholic Charities, is a 6-18 month transitional program for men and women aged 18-21.

Modified Payment Facilities. The DSS Modified Payment Program, administered by the Tenderloin Housing Clinic, provides housing assistance to about 1,000 people. The program is limited to General Assistance, Social Security, or SSI recipients. The recipient's entitlement check goes directly to THC, who then pays rent at a discounted rate to participating SRO or apartment owners. The GA check paid to the recipient is reduced by the amount of the rent. Participants must be in the program for three months before becoming eligible for placement in a studio apartment.

Permanent Facilities. The Park View, Cambridge, and Madrid Hotels provide permanent housing for formerly homeless persons capable of independent living. In addition, Community Housing Partnership, a non-profit organization formed in 1990, is currently renovating the San Cristina Hotel and the Senator Hotel to provide 58 units and 86 units respectively, of permanent housing for formerly homeless persons. Disabled homeless persons also receive housing counseling and referrals through Independent Housing Services, the Independent Living Resource Center, and the Progress Foundation.

## Services

Appendix A describes services for persons who are homeless or at risk of becoming homeless in San Francisco. These services are provided by a range of public and private entities, including the Departments of Social Services and Public Health, churches, religious and charitable organizations, advocacy groups, volunteer organizations, emergency shelters, and non-profit enterprises which receive local public and private funding. Some of these services help homeless persons meet essential needs for food, clothing, and health care. Others are intended to assist in the transition to a stable living environment, by offering housing referral, legal advocacy, and employment assistance. There are also services which serve specific groups, including those with AIDS, drug or alcohol addictions, battered women, runaways, and persons with disabilities.

Services for persons *at risk* of homelessness provide emergency financial assistance, legal advocacy, housing referral and placement, and counseling. These programs generally assist people who have been evicted or who are threatened by eviction. There are also longer-term homelessness prevention programs, including some which organize tenant groups facing displacement.

*Summary: Nearly 1,500 people receive some form of emergency shelter in San Francisco each night. Another 400 people are in transitional facilities, and about 1,000 more are in modified payment plan hotels. Many of the city's shelters and transitional facilities are filled to capacity, resulting in thousands of turnaways from the shelters each month.*

## INVENTORY OF FACILITIES AND SERVICES FOR OTHER SPECIFIC NEEDS GROUPS

### Introduction

This section of the CHAS describes facilities and services for groups with specific needs, as described in Part One (Needs Assessment). Because many of these groups include a homeless sub-population, many of the facilities and services meeting their needs are described in Appendix A. To avoid redundancy, references to earlier text sections or Appendix A are made throughout this section.

### Psychiatrically Disabled

The San Francisco mental health system can be entered in many ways, depending on the client's condition and financial resources. For persons in crisis, San Francisco General Hospital has a

Psychiatric Emergency Services Department. Crisis counseling is also available through Community Crisis Services, Mission Crisis Center, Night Ministry, and San Francisco Suicide Prevention. For persons requiring counseling or longer term care, there are several community mental health clinics in the city. However, these clinics have waiting lists up to four weeks long.

Mental Health services are also provided by non-profit service organizations serving particular cultural or ethnic communities, or persons with a particular disorder, such as post-traumatic stress or schizophrenia. Residential programs for psychiatrically disabled persons are described in the earlier text section on "Transitional Housing." There are also about 650 beds for permanently-housed psychiatrically disabled persons in Board and Care facilities.

### **Physically Disabled**

Housing referral services for disabled persons are provided by Independent Housing Services and Independent Living Resource Center. The Department of Vocational Rehabilitation provides employment assistance and counseling for disabled persons. A number of organizations provide assistance specifically for transportation and recreation services. There are also social service organizations for persons with speech, hearing, and vision disabilities. Disabled persons receive income supplements from the Social Security Administration through the Supplemental Security Income (SSI) and Social Security Disability Insurance programs. In some cases, State Disability Insurance (SDI) may also be received.

San Francisco does not have a current inventory of the number of units which are accessible to persons with disabilities. Some of the publicly assisted elderly projects, including All Hallows, El Bethel Terrace, and Jones Senior Housing, were specifically designed for disabled persons. A number of SROs, such as the Cadillac Hotel, have been retrofitted to serve the needs of the disabled. However, the Mayor's Disability Task Force estimates that only two percent of the city's rental stock is minimally accessible and that only about 10 percent of the units constructed by non-profit developers provide minimal access.

### **Persons with AIDS**

Transitional and Emergency Housing for AIDS patients is described in Appendix A. The San Francisco AIDS Foundation provides a comprehensive AIDS/ARC resource manual which may be consulted for further detail. The Foundation also provides financial benefits, counseling, advocacy, case management, and referrals, and operates a food bank.

The city's AIDS Health Project provides HIV testing at neighborhood health centers. The City of San Francisco AIDS Office provides information, research, and prevention services. Catholic Charities administers an emergency health fund for AIDS patients, Project Open Hand delivers meals to AIDS patients, and the Shanti Project offers emotional and practical support for AIDS patients and their families. There are also organizations serving sub-populations with AIDS (the Latino community, the Black community, high-risk women, immigrants, etc.) and many

organizations with educational and prevention programs. Treatment facilities include San Francisco General Hospital, a number of city-run clinics, and private hospitals and hospices.

## **Elderly**

According to Table 2-1, there are at least 8,112 units of federally-assisted housing for the elderly in San Francisco. This includes 2,001 units in the public housing projects, 5,398 units in federally subsidized rental projects, and 713 units in the Section 8 certificate/voucher program<sup>2</sup>. Independent Housing Services assists seniors in obtaining housing in these projects or in other apartments which meet their needs and cost constraints.

Services for the elderly are provided at Senior Citizen Centers throughout San Francisco. The DSS Adult Protective Services aids seniors who are unable to manage daily self-care activities. Some of the city's mental health clinics and neighborhood centers also offer specific programs for seniors, as does the YMCA. There are also organizations providing general services to senior sub-populations (ethnic groups, disabled, etc.), or specific services such as food preparation and delivery, escorts for daily activities, and legal advocacy. The City's Commission on Aging and the Department of Public Health provide senior information referral services and can be contacted for more comprehensive information.

## **Immigrants**

The services for homeless immigrants listed in Appendix A are generally available to all immigrants and refugees. The Immigrant Assistance Line, a joint project of the United Way and Coalition for Immigrant Rights and Services, provides multi-lingual assistance and referral services. There are also organizations providing general services to immigrant sub-populations (Chinese, Koreans, Vietnamese, Pacific Islander, Central Americans, persons with AIDS), or specific services (legal rights, naturalization, health care, and family services). There is no publicly-assisted housing in the city which is specifically set aside for immigrant and refugee households.

## **Lower Income Families**

Table 2-1 identifies at least 11,648 units of federally-assisted family housing, including 4,687 units in public housing projects, 4,260 units in subsidized rental projects, and 2,701 units in the Section 8 certificate programs. Social services for lower income families are provided by both the public and private sectors. Income supplements are provided by the State AFDC and food stamp programs.

The Department of Social Services Division of Family and Children's Services administers the AFDC, GAIN (Greater Avenues to Independence), and Child Protective Service programs, and

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<sup>2</sup> Some of these units, including the Section 8 certificates, may actually be occupied by disabled persons.

also provides case management and counseling. The Department of Public Health WIC (Women, Infants, and Children) Division provides food vouchers. There are also non-profit family service organizations serving specific ethnic groups and neighborhoods, and other organizations which meet specific needs such as child care, youth development, and job training. The Department of Social Services can be contacted for a more comprehensive list of family services.

### **Unemployed and Underemployed**

The San Francisco office of the State Employment Development Department (EDD) provides free job search services and administers Unemployment Insurance and State Disability Benefits. The EDD operates job research workshops, a "job club", a youth job program, and a casual labor placement program. San Francisco Renaissance is an entrepreneurship center and business incubator for low income residents and offers training to lower income and minority persons starting a business. The Private Industry Council runs a job training and placement program for lower income persons and refugees and assists people who have been laid off. Career Resources Development Center provides vocational training to economically disadvantaged persons and persons who have been laid off.

There are also organizations that provide employment services for specific groups (women, veterans, disabled, ethnic groups), as well as multi-service agencies that provide social, as well as economic, services. These include programs run by homeless shelters, Goodwill Industries, and the St. Anthony Foundation.

*Summary: Supportive services for persons with disabilities, health problems, educational or employment needs, and family service needs are provided by a wide range of public, private, and volunteer organizations. These services create a stable housing environment for thousands of persons who would otherwise be at imminent risk of homelessness.*

## Population and Minority Data

## Comprehensive Housing Affordability Strategy (CHAS)

Name of Jurisdiction(s) or Consortium:

Five Year Period: (enter fiscal yrs.)

FY:

92

through FY:

96

City and County of San Francisco

Category	1980 Census Data (A)	1990 Census Data or Current Estimate (B)
1. Total Population (*)	679,270	723,959
2. White (Non-Hispanic)	311,708	337,118
3. Black (Non-Hispanic)	86,414	76,343
4. Hispanic (All races)	83,373	100,717
5. Native American	3,548	2,635
6. Asian and Pacific Islanders	132,791	205,686
7. Group Quarters	24,463	24,624
8. Institutional	N/A	N/A
9. Non-Institutional	N/A	N/A
10. Household Population	654,511	699,330

(\*) Total excludes 1,460 persons in "Other" racial categories (for 1990)

## CHAS Table 2B

U.S. Department of Housing and Urban Development  
Office of Community Planning and DevelopmentMarket and Inventory Conditions  
Housing Stock Inventory

Comprehensive Housing Affordability Strategy (CHAS)

Name of Jurisdiction(s) or Consortium:

Five Year Period: (enter fiscal yrs.)  
FY: 92 through FY: 9

City and County of San Francisco

Check one:  
☒ 1980 Census  
☐ Current Estimate as of: (enter d

Category	Total (A)	0 or 1 bedrooms (B)	2 bedrooms (C)	3 or more bedrooms (D)
1. Total Year-Round Housing	309,009			
2. Total Occupied Units	298,956			
3. Renter Occupied Units	198,237			
4. Needing Rehab	20,472			
5. Not Rehabbable	not avail.			
6. Owner Occupied Units	100,719			
7. Needing Rehab	828			
8. Not Rehabbable	not available			
9. Total Vacant Units	10,053			
10. For Rent	8,424			
11. Needing Rehab	1,344			
12. Not Rehabbable	not available			
13. For Sale	1,629			
14. Needing Rehab	98			
15. Not Rehabbable	not available			
16. Awaiting Occupancy or Held	---			
17. Other	---			

Data on unit type by bedroom count is unavailable

## Assisted Housing Inventory

## Comprehensive Housing Affordability Strategy (CHAS)

Name of Jurisdiction(s) or Consortium:

Five Year Period: (enter fiscal yrs.)

FY: 92 through FY: 9

City and County of San Francisco

Current Estimate as of: (enter date)

1991

Category	Total Stock and Inventory				
	Total (A)	SRO (B)	0 or 1 bedrooms (C)	2 bedrooms (D)	3 or more bedrooms (E)
1. Project Based Tenant Assistance	16,509				
2. Public Housing	6,688				
3. Section 202	1,623				
4. Section 8	171				
5. Other HUD	8,027				
6. FmHA	0				
7. Tenant Based Tenant Assistance	3,414				
8. Section 8	3,414				
9. Other State/Local	0				
10. Homeowner Assistance	0				

Data on unit type and bedroom count is unavailable

## **SECTION TWO: STRATEGIES**

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### **Part Three: Five-Year Housing Strategy**



## PART THREE: FIVE YEAR HOUSING STRATEGY

*This section of the CHAS presents a five year strategy for addressing the affordable housing needs documented in the Community Profile. Priorities for allocating public funds are set forth, with numerical goals for specific types of housing and user groups. Priorities for increasing development capacity and broadening development benefits are also included. Based on the priorities in this chapter, strategies to achieve the city's five-year housing goals are presented.*

### INTRODUCTION

The intent of this section is to identify which areas of need are most important and what programs need to be funded or other actions taken to address those needs. These proposed programs and actions constitute a Five Year Housing Strategy which reflects the likely available resources and additional resources required to meet the needs, the existing delivery system, and the general policy and administrative environment. It has two basic parts: identification of Priorities and identification of the Resources needed to implement these priorities. This overall Strategy is intended to correct the occasional disjunction among needs, priorities and resources by looking beyond one year at a time and recognizing that some needs take longer to address.

Overshadowing this Strategy is a recognition of the relative role that City policy and programs play in shaping San Francisco's housing market and in responding to the local crisis in affordable housing. The affordability of the City's housing is far more responsive to national and statewide trends and policies than to local ones. Those trends and policies have exerted clear pressures to raise housing costs and reduce the resources available to lower income groups, pressures that are extremely difficult to reverse at the local level. Unless new policies, particularly at the national level, are devised in the areas of economic development, employment training, accessible and affordable health care, family and child support services, and supplemental income assistance based on economic need, even the expanded local efforts described in this Strategy will have only a marginal impact on the crisis in affordable housing facing the people of San Francisco. Unless new direct Federal expenditures in both "brick-and-mortar" housing investment and social infrastructure investment are substantially increased, the Five-Year Goals identified in the Comprehensive Strategy cannot be met.

However, long-term efforts to increase federal and state expenditures or to reverse policies detrimental to affordability in housing will not address the most immediate and acute local needs. Nor can many of the other Goals of this Strategy be met without a substantially increased local

funding commitment. Some of the Priorities identified in this Strategy involve the use of funds in ways that current non-local housing funds may not be used, but for which there is a clear and substantial need, such as those regarding the expansion of the delivery system capacity, or the need for supportive and vocational services associated with very low cost housing. Others would require local funding to supplement existing non-local programs that address important needs, but fall far short of providing sufficient subsidy in the context of San Francisco's market, such as those Priorities pertaining to the expansion of home ownership opportunities for low and moderate income households, or the preservation of the existing stock of very low cost housing.

## **Conceptual Background**

Underlying this Strategy are certain assumptions regarding affordable housing that provide a conceptual framework for this discussion. Among these are the following:

Shelters and temporary dwelling arrangements are not housing. The reason for developing a C.H.A.S. is the fact that many people have difficulty finding and keeping affordable places to live, which includes such activities as eating, sleeping, tending to personal cleanliness, and so forth. Having a place to live also means being able to stay as long as one wishes. Emergency shelters and supportive living environments designed to help residents make the "transition" from dependency to independence fail to qualify as "housing" either because they fail to provide opportunity for an essential activity that is part of living somewhere, or because residents are only permitted to stay for a temporary period of time, until they are ready to live on their own again or their time has run out.

Affordability mechanisms which are not permanent do not create Affordable Housing. To make the most of the insufficient resources available for creating affordable housing, that housing must remain affordable for the life of a building, or a minimum of 50 years.

Buildings alone do not constitute stable housing conditions. Throughout the Strategies described below is the understanding that a network of services to help the residents of extremely low- and very low-cost housing deal with the conditions that contribute to their lack of income and inability to operate successfully in the conventional housing market is essential. This is another way of saying that the goals should be to encourage long-term affordability and to make the most of available resources by minimizing turnover and addressing the root causes of residents' difficulty finding and keeping affordable housing. It is also based on the realization that stable, secure, long-term market rate housing relies on the availability of similar services for its residents, albeit services for which more affluent persons are able to pay private providers.

The services associated with low-cost housing may vary from a mobile social worker making periodic visits to provide information and referral services to residents at several sites, to more extensive on-site services including services to deal with vocational or educational needs, substance abuse counseling, recreational opportunities, etc. Since the success of such services

is dependent on willingness to participate, the most cost effective (and humane) approach would be to make them optional rather than mandatory.

Income level is as important a factor as the cost of housing when it comes to affordability. While this may seem obvious, it is particularly important to keep in mind when looking for ways to address the housing needs of lower income households. Market rate housing is built to be affordable to households with "market rate" incomes; to some extent, its cost is adjusted to match the incomes of those for whom it is built. There is, however, a limit to how much the cost of building, maintaining, and managing livable, neighborhood compatible, and long-lasting housing can be reduced.

With respect to the lowest income levels, the gap between these irreducible costs and incomes necessary to support such housing can only be reduced in the long term, by raising income levels. This is especially true for people in the extremely low income category. Their incomes, whether from low paid work or government benefits, such as AFDC, SSI, and GA, are unable to cover even the basic maintenance costs for existing buildings. All efforts to expand the availability of lower cost housing through housing subsidies must be complemented with efforts to increase the income levels of tenants through changes in public entitlements, vocational services, education, employment training, and economic development opportunities.

### **City Policy Background**

This Five-Year Strategy is an unofficial effort to identify how San Francisco ought to go about addressing its citizens' needs for affordable housing. Without considerably more public input, appropriate Commission authorizations, or Board of Supervisors' review and approval, the 1991 C.H.A.S. cannot be considered authoritative public policy. To meet the 1991 deadline for submission to the Department of Housing and Urban Development, it was not possible to follow the lengthy review and approval process associated with the development and articulation of official public policy, nor was it expected by H.U.D. However, the Five-Year Strategy described in this document is generally consistent with currently adopted public policy, most notably the Residence Element of the City's Master Plan.

This Housing Strategy follows several years of concentrated discussion and broad public involvement in the development of affordable housing policies in San Francisco. The first articulated priorities and recommendations in this process were published in May, 1989, when the first draft of an Affordable Housing Action Plan was released for public review by the Mayor's Housing Advisory Committee. This 120 page document made detailed recommendations targeted at more than doubling the production of affordable housing over the historical rates of the 1980s.

The recommendations of the Action Plan were in turn incorporated into the Residence Element of the San Francisco Master Plan, which was updated after an additional year of extensive public hearings and comments on September 12, 1990. The Residence Element serves as a five-year

blueprint for housing policies and programs through 1995, as mandated by the State of California. This Comprehensive Housing Affordability Strategy relies heavily on the information, analysis and recommendations of the 1990 Residence Element.

### **Current City Policy Objectives**

The Residence Element of the Master Plan, and the Mission Statement of the San Francisco Redevelopment Agency both establish affordable housing objectives. Of the 16 objectives in the Residence Element, 11 specifically address housing affordability and access. Each objective is followed by specific policies which are adopted to meet these objectives, and a five year implementation plan with specific program actions. In addition, the guiding recommendations of the Homeless Plan, "Beyond Shelter" have been the basis for implementing plans and programs for the homeless. For the purposes of this Comprehensive Housing Affordability Strategy, the objectives embodied in these publicly developed plans have been synthesized into four Guiding Objectives.

- Objective 1:* Provide and Preserve Decent, Affordable, Permanent Housing to Accommodate the Needs of Extremely Low, Very Low, and Low Income Households
- Objective 2:* Provide Adequate Barrier Free Affordable Housing to Accommodate the Needs of Special Populations.
- Objective 3:* Provide and Preserve Affordable Housing Opportunities throughout all Residential Districts in San Francisco.
- Objective 4:* Promote Resident Participation in the Planning and Management of Affordable Housing and in the Improvement and Stability of their Neighborhoods.

The Residence Element also recognizes the important role played by non-profit housing development corporations in the City's efforts to meet its objectives. Implicit in this Strategy, therefore, is a similar recognition that to meet its Priorities, the City must utilize community-based non-profit corporations to the maximum extent possible.

In order to carry out the broad interactive Objectives of the Residence Element, this Strategy establishes several sets of Priorities for the five-year period from January, 1992 through December, 1996, in three general areas:

- o *Priorities for Allocating Development Investment.* These Priorities focus on buildings, units, types of housing, target population groups, and the like. They indicate an order of preference for the use of local and non-local housing development funds.
- o *Priorities for Increasing Development Capacity.* These Priorities identify actions and initiatives to increase the capacity and effectiveness of the various institutions involved

in the delivery of affordable housing development or to mitigate the effects of regulatory or administrative barriers to affordability.

- o *Priorities for Broadening Development Benefits.* These Priorities focus on ways to increase public understanding and involvement in the development of affordable housing, on the geographic distribution of the programs and activities identified in the first two areas, and on actions to ensure compliance with fair housing principles and policies.

The Priorities listed in this Strategy are pieces of an overall plan for addressing San Francisco's housing needs. Within each category (Investment Allocation, Capacity Development, and Benefit Distribution) the Strategy attempts to indicate an order of preference to guide funding decisions, program design, and staff assignments. In view of the overwhelming volume of need in relation to financial, political and staffing resources, these Priorities indicate which types of programs, actions or initiatives will take precedence in the event of competition for resources. Some Priorities, however, may require more time than others to implement, and some may be the subject of programs or commitments already underway.

As a statement of the official policy of the City and County of San Francisco with respect to affordable housing, the Residence Element has served as the basis for determining the five-year goals of this Strategy just as its statement of Needs has provided most of the data for the Community Profile section above. An attempt has been made to adjust the production targets of the Residence Element to account for overlapping categories and to eliminate the portions of the Residence Element goals that can be achieved by market rate housing development. However, the overall percentages allocated to each income category, household size, and/or special population have been maintained.

## **PRIORITIES FOR ALLOCATING DEVELOPMENT INVESTMENTS**

The data and analysis, reinforced by extensive public testimony regarding the Residence Element, demonstrate conclusively that the most acute needs are for permanent housing for the currently homeless and near homeless. In addition, it is clear that a chronic shortage of family sized units has existed for some time, especially for very low and low income households with dependents. While there are diverse needs for other sectors of the population, the highest priorities are to alleviate involuntary homelessness and increase and preserve the supply of habitable, affordable rental housing for very low income households with multiple dependents.

Because the greatest gap between household resources and current housing inventory appropriate to their needs lies within these households, and because of the high number of identified needs relative to other income groups and household sizes, these "worst case" households have received first priority for investment in new and/or rehabilitated rental housing, for supportive services, and for continued rental assistance.

## Priorities for Addressing the Needs of the Homeless and Potentially Homeless Households

### A. Expand the supply of permanent housing affordable to extremely low income families and individuals.

There is an especially significant need for affordable units with two or more bedrooms for extremely low income households with dependent children. As the most costly housing type to produce, with the greatest gap between household incomes and market rents, multiple bedroom rental housing affordable to unemployed, underemployed and working poor families, is the least likely to be produced without public subsidies to support it. At the same time, the majority of persons without housing are single individuals whose lack of income, employability, health, or whose dependency place them outside the mainstream housing market. These households and persons represent the population with the most pressing and acute need for housing.

#### *Program Components:*

1. Construct new multiple-bedroom rental housing for extremely low income households with facilities for making support and vocational services available to residents.

Five-Year Goal: 840 units

2. Renovate and upgrade existing multifamily rental housing for extremely low income households, including provision of supportive services and tenant amenities.

Five-Year Goal: 700 units

3. Construct new residential hotels and small apartments for very low income individuals and couples with facilities for providing on-site supportive services.

Five-Year Goal: 1000 units

4. Renovate and upgrade existing residential hotels and small apartments to allow for the provision of supportive services and additional tenant amenities.

Five-Year Goal: 2000 units

5. Expand the supply of smaller scale group living environments combined with supportive services for individuals and households recovering from homelessness.

Five-Year Goal: 200 units

6. Make on-site supportive services available for residents of very low income housing, either associated with the building, or on a mobile basis, with minimum dependence on year-to-year allocations to support such services.

Five-year Goal: sufficient providers to serve 2000 units

7. Promote resident hiring for property rehabilitation, management, maintenance positions, and on-site economic enterprise efforts.

B. Maintain an emergency shelter and assistance system and improve its accessibility.

Until all of the conditions that contribute to people finding themselves without housing are eliminated, there will be some who need shelter from the elements on an emergency basis. While long-term priority must be given to permanent housing for people whose resources fall short of what is necessary to purchase housing for themselves today, the immediacy and severity of need experienced by persons without any shelter whatsoever argue for maintaining an effective on-going shelter and emergency assistance system and improving its accessibility.

*Program Components:*

1. Complete the multi-service centers.
2. Develop minimum admissions and operation standards that protect clients' safety, security, and dignity, while recognizing the need to provide access to shelter somewhere in the system for all who seek it.
3. Expand substance abuse recovery facilities, especially for persons with dependents, and prioritize facility admission for homeless and imminently homeless individuals.  
Five-year goal: 500 spaces.
4. Expand Emergency Rental Assistance programs.
5. Maintain the Modified Payment Plan.  
Five-year goal: maintain current average of 1,000 persons per night.
6. Expand emergency services for people with chemical dependencies who do not want to participate in a treatment program.

C. Preserve and Improve Public Housing Resources for Very Low-Income Households.

Public housing provides a sizable existing housing resource for extremely low income family and elderly households. The overwhelming majority of public housing residents are extremely low income (with an average income of \$9,617) because of priority given to households with emergencies or meeting federal "worst case" qualifications for preference. However, serious structural and habitability problems as a result of the overall age, heavy use, and poor design of many of the San Francisco Housing Authority buildings as well as past deferred maintenance, threaten the on-going viability of this

resource. Management issues such as staffing levels, training needs, management policies, and resident services must also be addressed to ensure long term viability. The loss of this resource would seriously compound the City's already critical lack of housing for persons living on the verge of homelessness.

The Housing Authority has prepared a Comprehensive Plan for Modernization (CPM) that identifies physical and management needs on an agency wide and individual project basis, and the Residence Element identifies a target of 4,290 units as having serious structural and habitability problems.

The SFHA will continue and build upon several resident initiatives begun in the past two years. The Public Housing Drug Elimination program which coordinates the efforts of existing drug prevention and treatment programs, public safety efforts, and support services, will be expanded during the next five years. Plans are also being developed for resident management, resident organizing, and creation of non-profit corporations to function as economic incubators for resident businesses. Implementation of these initiatives will take place over the next five years in conjunction with project-based systems for budgeting, accounting, management and maintenance.

*Program Components:*

1. Continue Major Reconstruction and Modernization of the nine most distressed Public Housing project sites.  
Five-year goal: 1829 units
2. Continue Comprehensive Rehabilitation to correct structural and habitability problems of public housing units.  
Five-year goal: 2461 units
3. Continue and expand Resident Initiatives program including developing models for resident participation in management, establishing training programs for resident leadership in economic development and management, and creation of non-profit corporations to facilitate economic development.  
Five-year goal: 9 sites
4. Develop a Neighborhood Relations Program to foster better tenant/community relations.

**Priorities for Addressing General Affordable/Low-Income Housing Needs**

- A. Preserve existing stock of low and very low income housing threatened by expiring subsidies or termination of use restrictions.

The loss of the over 7000 units of currently affordable/low-income housing in San Francisco that are at-risk of termination of subsidies or use restrictions within the next 10 years would represent a catastrophic increase in overall need at a time when resources are expected to fall far short of meeting the current need for such housing. While the federal Low Income Housing Preservation and Resident Homeownership Act (LIHPRHA) is expected to provide some protection from conversion of affordable units in buildings with federally subsidized mortgages, involvement by local jurisdictions, non-profit organizations, and tenant groups is essential to successfully preserving these buildings as affordable. This joint effort must continue as long as the problem exists.

*Program Components:*

Target Subsidized Housing Preservation Implementation Plan funds to accomplish the following objectives:

1. Supplement LIHPRHA funds to transfer ownership and rehabilitate at-risk buildings to non-profit organizations or tenant groups.  
Five-Year Goal: 3,143 units.
2. Fund tenant and non-profit organizing efforts, technical assistance, appraisals, architectural and engineering fees, environmental reports and other predevelopment costs associated with acquisition and rehabilitation efforts for which funds are not available through other sources prior to the transfer of the buildings.
3. Give priority to proposals with significant resident participation, no resident displacement, the most units affordable to the lowest income level, the greatest leverage of non-City resources and those most likely to be well-maintained, have adequate reserves and sufficient protection against extraordinary rent increases.
4. Implement the San Francisco Assisted Housing Preservation Ordinance to the greatest extent possible.
5. Encourage formation of Resident Councils and processes by which residents develop strategies to preserve their units' affordability.
6. Provide technical assistance to nonprofit owners of assisted housing threatened by expiring use subsidies.

B. Expand and improve multiple bedroom rental housing for low and very low income households with multiple dependents.

There has been an historic shortage of units with 2 or more bedrooms in the San Francisco housing stock, and the largest affordable housing unmet need is for this type of housing.

Thousands of low income families live in housing too small to adequately meet their needs. Although the San Francisco housing stock is dominated by studio and one bedroom units, there is still a shortage of units of this size that are affordable to low income households.

With about one quarter of the city's housing stock considered substandard, rehabilitation of the existing housing stock must be an integral part of the city's housing strategy. A means of ensuring the long-term affordability of rehabilitated units is needed, so that lower income residents are not priced out of their homes after work is completed. The use of non-profit administered loans which are tied to restrictions on affordability can achieve this objective.

*Program Components:*

1. Target New Rental Family Program funds to construct new rental housing with multiple bedrooms affordable to low and very low income families.

Five-year goal: 3360 units

2. Target Multi-family Rehabilitation Program funds to rehabilitate and make permanently affordable existing deteriorated low and very low income rental housing. Provide for long term ownership by non-profits.

Five-year goal: 2000 units

3. Provide rehabilitation funds to private owners of rental housing through non-profit administered loans. Require long term affordability in exchange for favorable financing terms.

Five-Year Goal: 800 units

- C. Expand and preserve ownership opportunities for low and moderate income first-time homebuyers.

The Association of Bay Area Governments has estimated that 40 percent of the city's housing need during the next five years will be generated by moderate income households. Although these households typically can afford market-rate rental apartments and can find decent shelter without public assistance, most aspire to homeownership. There are strong emotional and financial incentives to homeownership which motivate many moderate income households to spend as much as half of their income on mortgage payments. Recognizing the importance of a balanced housing policy which assists all segments of the community, and the special benefits to the community associated with homeownership, the City must continue its efforts to assist first-time homebuyers.

*Program Components:*

1. Provide rehabilitation loans to low income single family and elderly homeowners.  
Five-Year Goal: 100 Low Income Single Family Homeowners  
Five-Year Goal: 100 Elderly Homeowners
2. Target local funds to purchase sites or dedicate contributed sites, issue Single Family Mortgage Revenue Bonds at tax-exempt rates, and fund a mortgage assistance program for first-time homebuyer households earning an average of 100% of median income adjusted for family size.  
Five-Year Goal: 400 units for Low Income Households  
Five-Year Goal: 200 units for Moderate Income Households
3. Target local funds to leverage State and Federal funds or credits to assist very low and low income limited equity cooperatives to purchase their units.  
Five-Year Goal: 100 units in Low Income Tenant Cooperatives
4. Continue to implement City Planning Commission and Redevelopment Agency inclusionary zoning policies.

**Priorities for Addressing the Affordable Housing Needs of Households with Specific Needs**

- A. Expand the supply of new barrier free housing specifically for the elderly and physically disabled.

While 12 percent of the city's residents have a physical disability, only two percent of its housing stock is accessible to the disabled. Retrofitting units for disabled persons must be an on-going Priority. In addition, a greater emphasis must be placed on including accessible units within new housing development, both in non-profit and for-profit projects.

*Program Components:*

1. Increase and diversify rental housing opportunities for low and very low income elderly persons.  
Five-Year Goal: 1500 units
2. Increase housing opportunities for households with special physical design requirements.  
Five-Year Goal: 30% of all units in all categories, or 4950 total units

- B. Expand and preserve the supply of group housing facilities and small scale living environments for special needs populations.

The severe shortage of residential care facilities serving populations with specific needs has resulted from a number of factors, including the lack of financial support and incentives for the operators of such facilities, resistance in established residential neighborhoods to group homes serving persons who are poor or different, and the very rapid increase in the numbers of persons requiring such housing (particularly AIDS patients), which has far outstripped the growth of resources.

Historically, community based organizations have developed group housing or residential care facilities with on-site or nearby social services for persons with special needs, such as substance abusers in recovery, victims of domestic violence, and the psychiatrically disabled. In addition, the private sector has operated group housing and board and care facilities for the infirm and the mentally ill. These residential settings have often been accommodated in existing large residences or in converted structures in moderate and lower density residential neighborhoods. There is a need to create new facilities and to rehabilitate older facilities to maintain their affordability for individuals having both short term and long term support service needs.

*Program Components:*

1. Provide funds to create new supportive residential facilities for psychiatrically disabled persons with first priority admission given to people who are now homeless or at risk of becoming homeless.

Five-Year Goal: 200 beds

2. Provide funds to create new group housing opportunities for persons with specific social and medical needs such as victims of domestic violence, runaway youths, terminally ill persons, and chemically dependent individuals.

Five-Year Goal: 600 new bedrooms

Five-Year Goal: 400 renovated bedrooms

3. Provide low interest loans for the rehabilitation of existing group homes and residential care facilities.

Five-Year Goal: 300 beds in existing facilities

## Summary

Table 3-1 summarizes the affordable five year housing production goals of the City and County of San Francisco. The table presents quantified targets for different new construction and rehabilitation programs, stratified by the income group to be served. A new construction target of 9,300 affordable units and a rehabilitation target of 6,400 units (excluding SFHA public housing) have been set.

Table 3-1: Five-Year New Construction and Rehabilitation Targets

<u>Program Type</u>	<u>Extremely</u>			
	<u>Low</u>	<u>Very Low</u>	<u>Low</u>	<u>Moderate</u>
<b>NEW CONSTRUCTION</b>				
o Multiple Bedroom Rental with Supportive Services	840			
o Residential Hotels/Small Apts. w/Supportive Services	1,000			
o Small Group Living Environments w/Supportive Services	200			
o Rental Housing for Families		1,680	1,680	
o Supportive Residences for Psychiatrically Disabled	100	100		
o Group Housing for Other Specific Needs Groups	300	300		
o Elderly Housing		750	750	
o Expand Substance Abuse Facilities	250	250		
o Ownership Housing			400	200
o Inclusionary Housing				
-- Rental Housing		100	100	
-- Ownership Housing			100	200
<b>TOTAL NEW CONSTRUCTION: 9,300 units</b>	<b>2,690</b>	<b>3,180</b>	<b>3,030</b>	<b>400</b>
<b>REHABILITATION</b>				
o Multi-family rentals with Supportive Services	700			
o Residential Hotels/Small Apts. w/Supportive Services	2,000			
o Public Housing <sup>1</sup>	4,290			
o Preservation of Units Threatened by Expiring Subsidies				
Acquisition and Rehabilitation:	3,143 total units <sup>2</sup>			
o Multi-family Rentals for Families				
-- Non-profit		1,000	1,000	
-- For-profit		400	400	
o Single Family Loan Program		50	50	
o Elderly Loan Program		50	50	
o Tenant Cooperative Rehabilitation for Ownership		100		
o Supportive Residences for the Psychiatrically Disabled	150	150		
o Group Housing for Other Specific Needs Groups	200	200		
<b>TOTAL REHABILITATION: 10,790 units<sup>3</sup></b>	<b>7,340</b>	<b>1,950</b>	<b>1,500</b>	<b>0</b>
<b>TOTAL NEW CON/REHAB: 20,090 units</b>	<b>10,030</b>	<b>5,130</b>	<b>4,530</b>	<b>400</b>

<sup>1</sup> The maximum allowable income for public housing is 80 % of median; however, the average income of the current residents, at 97 % occupancy, is 21 % of the citywide median.

<sup>2</sup>Includes all units subject to possible loss of subsidy or rent restrictions during five year period; number in each income category not known. Since actual number to be acquired and rehabilitated is not known, this figure is not included in column totals below.

<sup>3</sup>Does not include 3,143 potential units in "Preservation" program.

## PRIORITIES FOR INCREASING DEVELOPMENT CAPACITY

### Priorities for Improving the Existing Delivery System

The existing organizational capacity for affordable housing production in San Francisco was sufficient to more than double the number of units funded from 760 in 1988 to over 1,800 in 1991. However, in order to meet the goal of substantially increasing the production of affordable housing to an average of nearly 3,000 units per year over the next 5 years, changes will have to occur in the delivery system. The following assessment summarizes the current shortcomings of the institutional structure and describes the general areas of improvement required to increase production capacity and efficacy.

The specific roles played by public, governmental, non-profit and private sector institutions in the production and preservation of affordable housing in the City are described in Appendix B. In general, the nonprofit and private sector institutions which are involved in affordable housing production have been relatively successful at performing their roles in an effective manner. There are, however, some specific areas which need strengthening:

A. Increase the capacity of community-based non-profit housing corporations to perform their role as developers.

The City's strategy for developing affordable housing relies heavily on nonprofit organizations as developers, property managers, program administrators, community organizers, and technical service providers. While the non-profits in San Francisco are among the best in the country, there is concern that the scope of needed development will overburden their capacity to play their necessary roles. There is particularly inadequate financial support for non-profits in the areas of property management, maintenance and repair work, and on-site (non social-service) staff. City programs which facilitate these activities are deficient. An essential element of the city's strategy must be to develop the capacity of nonprofit organizations to perform these roles.

This priority and others in this portion of the C.H.A.S. are examples of activities for which expanded local funding is particularly important, since little if any non-local sources are available for these uses.

B. Consolidate and expand funding sources to make supportive services available to residents of very low income housing developments.

The current institutional structure for providing supportive services for affordable housing is inadequate to meet the need. Although the current delivery system for such services is lacking in coordination, the problem is primarily one of funding levels rather than structure. Under the current circumstances, there is little incentive to coordinate efforts,

since the organizations involved tend to find that, whether or not they coordinate their activities with other organizations, their resources are fully utilized by eligible recipients. This is due primarily to the fact that the demand for services far exceeds their availability.

Furthermore, it has become increasingly apparent to the (primarily nonprofit) affordable housing managers and to the San Francisco Housing Authority that affordable housing for many very low-income households and most extremely low income households is not viable without providing supportive services. At present, supportive services are generally provided on a year-to-year and project-by-project basis through individual grants and contracts. However, a need clearly exists for a program that will consolidate (and expand) the funding sources for these services and deliver services broadly to these populations.

C. Improve coordination of Governmental Activities Related to Affordable Housing.

Within the public sector, coordination of the various agencies is a major responsibility of the Mayor's Office of Housing and Community Development, and has been carried through with varying levels of success.

The public faith and trust necessary to carry out an ambitious affordable housing production effort will depend on both increased efficiency and increased accountability by the governmental institutions involved in such a program. There is a need for an on-going structure for consistently sharing information among all agencies involved in production or delivery of services, developing joint programs or providing accountability to the public.

D. Establish City policy and programs to coordinate housing with efforts to improve vocational and economic enterprise programs for lower income San Franciscans.

Current City policy fails to recognize the importance of vocational support, education, employment training and economic development in maintaining stable affordable housing. Without such linkage, large numbers of people remain trapped in poverty or near-poverty, dependent on public income and housing subsidies, and unable to make choices about their living and working environments.

There is no single agency with overall responsibility, nor coordination among agencies involved in such programs. Nor is there a forum for public participation in the design and implementation of vocational support and economic development policies and programs. A coordinated effort to address income opportunity policies would include the participation of local agencies involved in housing and community development, employment training, secondary and post-secondary education, welfare and supplemental income assistance, private industry and business, and past or present consumers of vocational and economic opportunity programs.

E. Enforce uniform standards for long-term affordability.

Until recently, the Planning Commission, Mayor's Office of Housing, Board of Permit Appeals, and Redevelopment Commission have all used different standards and durations in imposing or negotiating affordability agreements. The Mayor's Task Force on Affordable Housing found that hundreds of affordable units had been lost due to a failure to devise long-term affordability requirements, or to systematically enforce these requirements. The combination of overburdened agencies and departments which do not have affordable housing as their top priority, and the lack of enforcement incentives, has undercut the net gain of affordable units (Affordable Housing Action Plan, 1989).

The city has created a number of policies and programs over the years which place affordability restrictions on housing units, the levels and duration of these restrictions and the means of ensuring that these units remain affordable as occupancy changes have not been uniform or adequate. As more and more restricted units are added to the housing stock, the burden of monitoring them to ensure on-going affordability and appropriate marketing increases, particularly with respect to those units added as part of the inclusionary zoning policy of the Planning Department.

The recent development of uniform standards for affordability must be completed by developing monitoring tools and mechanisms that will ensure compliance with those standards.

### **Priorities for Reducing Barriers to Affordability**

An examination of the extent to which local policies, ordinances, regulations and administrative procedures negatively affect the affordability of housing in San Francisco reveals that the effect of such local policies and procedures are relatively insignificant in comparison to the effect of non-institutional factors on housing affordability, particularly the City's geography and its attractiveness. They are also far less important than the negative effects of recent federal and state policies on the local income-housing cost balance.

Among the nation's 20 most populous cities, San Francisco is the smallest in land area. What few opportunities for new housing development remain are limited to commercial and industrial areas, underutilized public lands, small infill sites, and air-rights over other types of development. These sites are inherently expensive to develop. Added to this are the additional costs associated with building on the City's steep terrain and in the context of its vulnerability to seismic activity.

Another principal factor affecting housing prices is the City's perceived desirability as a place to live for upper income households. Mild weather, attractive scenery, employment opportunities in professional and managerial positions, and cultural diversity continue to attract thousands of

permanent residents to San Francisco each year, despite the fact that the city has little room to grow. At the same time, the city's history and location on the West Coast make it a primary port of entry for immigrants from Asia and Central and South America. Market rate housing completions in San Francisco have been increasing steadily since the 1980s in contrast to slowdowns in virtually every other American urban center.

In view of the overriding influence of such market forces, San Francisco's efforts in the area of policy development have been directed primarily at ameliorating the effects of these market forces, including the creation of new sources of public subsidy funds for affordable housing such as the Office/Affordable Housing Production Program, ordinances designed to prevent or mitigate the loss of low-cost rental housing by conversion to ownership condominiums or to tourist hotel rooms, and adoption of a policy requiring that in return for zoning concessions, new market-rate housing must include some units priced to be affordable to low and moderate income households.

The City has not ignored the effects of local administrative procedures and policies. It has, for example, instituted priority permit processing for projects that are subsidized with public affordable housing dollars. Nonetheless, there are additional steps that can be taken to further reduce local regulatory barriers or to change policies or practices that may have negative impacts on lower income persons' access to affordable housing.

A. Increase availability of public funding for affordable housing development, services, and capacity building.

The decrease in Federal government funding sources for housing, particularly at the state and federal levels, has been one of the most serious constraints to housing affordability in San Francisco. HUD-supported housing starts declined throughout the 1980s and a growing emphasis was placed on tenant subsidies rather than new construction. While this shift may have been appropriate in cities with high vacancy rates, the housing stock in San Francisco was already nearly fully occupied and there were few units available to rent with certificates and vouchers.

Affordability has also been constrained by reductions in supplemental income assistance for persons on lower income levels, and reduced Federal and state funding for supportive social services, especially psychiatric health care, which have occurred during the same years that housing costs were rising at unprecedented rates. The lack of adequate public funding for such assistance and services has been one of the primary obstacles to preventing homelessness.

While local public funding has been increased in recent years, the increases have not been sufficient to offset federal and state decreases, particularly with respect to social services and supplemental income assistance.

In contrast to these reductions in public funds, the local lending climate for institutional lenders and community reinvestment activity has remained relatively stable in recent years and is not expected to constrain housing production in the near future. Nevertheless, in order for San Francisco to leverage these funds and any increased resources from state and federal government sources, commitment of local public financing is necessary. The Mayor's Affordable Housing Advisory Committee recommended a minimum yearly dedication of \$30 million over a 12 year period from the City's general fund to provide a predictable, long term source of local financing for affordable housing.

*Mitigation Strategies regarding Availability of Public Funds:*

1. Maximize lobbying efforts at State and Federal levels to protect existing programs and create new ones for funding affordable housing and social infrastructure programs.
2. Identify new local revenue sources at a minimum level of \$15 million per year, for affordable housing and associated services, particularly where there is a clear relationship between the source of revenue and increased support for affordable housing.

B. Amend Planning and Zoning Regulations to facilitate the development of affordable housing.

As in most cities, residential developments are required to comply with Planning Code regulations related to permitted land uses, densities, lot size, heights, open space, setbacks, design, and parking requirements. While these regulations are by definition, "constraints" in that they impose limitations or requirements on development, some such restraint on development is inevitable and necessary in the service of other public goals.

However, since new housing development projects in San Francisco, whether market rate or affordable, are proposed in the context of an already highly developed environment, with most if not all conventionally "buildable" sites already developed, nearly all such developments must petition for relief from one or another of the usual zoning requirements, ask for Conditional Use approval to build where residential use is not permitted as of right, or seek rezoning to accommodate economically required density.

The processes necessary to obtain such use permits, variances or rezoning add time and cost to the development process. They subject proposed development to greater scrutiny, study and analysis, and public notice and hearing requirements, all of which put increased demands on the resources of project sponsors. Projects which require City Planning Commission review take six months to be heard, variance applications about four months. Moreover, the approval or mitigation conditions eventually placed on these projects often add significantly to their cost as well.

*Mitigation Strategies regarding Planning and Zoning Regulations:*

1. Without diminishing public participation, take legislative or administrative action to expedite the processing and approval of affordable housing projects, including streamlining and consolidating the public hearing process and avoiding duplicative discretionary hearings and appeals.
2. Amend the Planning Code to provide density bonuses for affordable housing without the need to establish Special Use Districts, to modify regulations for Planned Unit Developments to promote affordable housing, and to lower off-street parking requirements for extremely- and very-low income housing located convenient to public transportation.

C. Reduce time required to obtain permit approvals.

Delays in processing building permits are largely due to the volume and complexity of residential permits. The on-going development of federal, state and local policies with respect to appropriate building design, protection of public safety, conformity with fair housing law, protection of the environment, and so forth have served to increase the level of scrutiny demanded of staff responsible for processing permit applications. At the same time, there has been an increase in the number of permit applications without a commensurate increase in staff to process these permits, resulting in backlogs.

Typically, the single most time-consuming portion of the approval process involves environmental review. Adherence to strict California Environmental Quality Act requirements can result in some developments taking as much as two years to complete the process when site specific issues have been identified. The increasing reliance on sites that have had prior development history and uses has made investigation, analysis and mitigation planning regarding toxic issues more and more common.

Building permits typically take several months to be approved even after resolution of Environmental Review, Conditional Use, Variance or other zoning issues. A significant variable in this process is the degree to which applications and the documentation accompanying them are incomplete, inaccurate or inappropriate, and the process by which plan checkers request and obtain corrections, additions or revisions to address these inadequacies.

The Department of City Planning has recently taken a number of steps to improve permit processing, including adding personnel, improving certain steps in the application procedure, and creation of an Affordable Housing Group which meets regularly with the Mayor's Office of Housing and Redevelopment Agency staff to coordinate review of City-supported affordable housing projects.

*Mitigation Strategies regarding Permit Processing:*

1. Create special application procedures and tracking system for prioritizing building permit applications for affordable housing developments.
2. Establish formal pre-application procedure to reduce delays due to incomplete or inappropriate submittals.

D. Modify inappropriate Building Code standards.

The San Francisco Building Code is based on the State of California Building Code, which is itself based on the Uniform Building Code. The UBC is periodically revised according to recommendations from all over the United States. When the State adopts a revised UBC, it is not permitted to change its provisions if such changes result in less restrictive requirements. The same is true when the City adopts the State version of the UBC. Therefore, to the degree that local peculiarities are not satisfactorily taken into account by a UBC requirement, conforming to the Building Code can occasionally constitute an unnecessary barrier to affordability. Alternative, less costly ways to achieve the same level of safety approached by such UBC standards may exist, but are effectively prohibited.

Confusing or inappropriate occupancy classifications can also create unnecessary expenses for certain kinds of low-cost housing, such as those that require board and care facilities (an important housing resource in San Francisco for very low income mentally disabled persons) to conform to "guest room" security requirements because any such facility that has more than five bedrooms is classified as a hotel. State law with respect to licensed protective care facilities also adds unnecessarily to the cost of creating desperately needed "special user" housing for such populations as drug or alcohol addicted pregnant women, or runaway youths, by requiring classification as institutional occupancies rather than residential.

*Mitigation Strategies regarding Building Code Standards:*

1. Work to refine the Uniform Building Code to reflect local conditions.
2. Amend the local Building and Housing Codes to eliminate inappropriate regulations that impact the affordability of housing.
3. Work to amend protective social care provisions of State law where appropriate.

E. Amend Rent Stabilization and Arbitration Ordinance to eliminate Vacancy Decontrol.

San Francisco's Rent Stabilization Ordinance places limitations on rent increases for existing tenancies in buildings subject to the Ordinance. As long as the tenancy is continuous, rent increases are limited to a range of 4% to 7% per year, depending on the current rate of inflation. Other extraordinary increases are also allowed under certain circumstances. As a result, the rate of increase in rent over the life of an existing tenancy is related more directly to overall inflation than to increases in real estate values, which have tended to outpace the inflation rate in recent decades, sometimes quite significantly.

However, initial rents at the beginning of a tenancy (or following a vacancy) are not limited under the current Ordinance. While the affordability of the subject units is relatively protected during a tenancy (at least for those that began with an affordable rent), it is entirely unprotected at vacancy, when market rate rents are allowed. Consequently, the gap between "market" rents and "stabilized" rents is constantly being reduced for the rental stock as a whole, and periodically eliminated for individual units as they become vacant. The result has been an ever increasing gap between "stabilized" rents and "affordable" rents since incomes have not kept pace with market-driven rent increases.

Assuming that incomes do keep pace with overall inflation, imposing inflation-based limitations on initial rents following a vacancy would at least tend to reduce the rate at which the current affordability of regulated units is reduced.

*Mitigation Strategies regarding Vacancy Decontrol:*

(An Ordinance imposing such limitations on initial rents following vacancies was passed by the Board of Supervisors and signed by the Mayor in 1991, but must be validated by passage of a ballot measure to be voted on in November of 1991.)

**Related Studies**

During the last five years, there have been several publicly and privately-funded studies which assessed the effects of local policies and regulations on housing affordability. In general, these studies were not specific to San Francisco and also examined other cities in the Bay Area. In 1987, the Bay Area Council published "Taxing the American Dream," an assessment of affordability barriers in the Bay Area. The Coalition for Better Housing has also addressed this issue in its publications. The 1990 Residence Element includes policies and programs to reduce the impacts of local regulations on housing costs.

## **PRIORITIES FOR BROADENING DEVELOPMENT BENEFITS**

The development of affordable housing enjoys support from a significant number of San Francisco households as indicated by public testimony, and opinion polls. Most of the City's residents who live in rental housing know that they could not afford the rent for a currently vacant unit in the marketplace. Many homeowners also express distress at housing prices, especially those with children who cannot afford to stay in San Francisco whether as renters or as buyers.

There has also been strong support from business, labor, minority community, and other constituent groups, motivated not only from a concern for the living conditions of lower income households, but also from the realization that a lack of affordable housing affects the well being of the local economy as a whole.

Nevertheless, despite this broad general public support for affordable housing, there is also locally specific public concern about the potential impacts of proposed affordable housing on a neighborhood and about the over-concentration of low-cost housing in certain districts of the City.

### **Priorities for Improving Public Information and Outreach regarding Affordable Housing**

Especially in lower income inner City neighborhoods like Chinatown, the North of Market, South of Market, and the Mission District, community based non-profit housing developers have rehabilitated and newly constructed thousands of units of affordable housing with broad community support. The majority of these units are in buildings which are better managed and maintained than surrounding property, and that have helped to stabilize the neighborhood and make it safer by their presence. This remarkable achievement is not well known outside these communities, and not even widely known within.

Many of the concerns regarding affordable housing development are those associated with the potential impact of any new development on an existing neighborhood fabric, and relate to a general perception that "new development will reduce the quality of life." For different individuals, the quality of life is defined differently, although the most repeated concerns regard increased traffic and parking problems, density of individuals (especially children), building density, incompatible scale and bulk, and loss of land resources that could be used for other purposes (especially parks, natural areas, or other public amenities).

All of these are legitimate concerns, and many affordable housing developments which initially raised such concerns have been improved with respect to such issues through the sincere involvement of neighbors with project sponsors. However, there is increased polarization as to whether affordable housing does indeed constitute a benefit or not, often in the context of a larger

public apprehension and debate regarding the perceived decline in the quality of life in our urban areas and the underlying reasons for this decline.

These different perceptions of affordable housing derive largely from a failure to provide adequate public education regarding who builds, manages, and resides in affordable housing, distrust of "government housing" based on past programs, and a failure to provide sufficient public involvement in planning for the development of future benefits, among them affordable housing. Proposals for the development of affordable housing attract public attention and often require both time and expenditures on the part of project sponsors to develop constructive dialogue with concerned neighbors and community groups.

To the extent that such increases in development time and cost protect citizens' rights to influence decisions about development in their own neighborhood, they are well-spent. However, to the extent that such cost increases are the result of misinformation or misunderstanding about the nature, quality and impacts of well-designed and managed affordable housing on a neighborhood, they can become a barrier to affordability.

There is a growing need to implement comprehensive neighborhood and community-level planning as a means of creating dialogue and building consensus in advance of specific project proposals. Currently there is no system in place to accomplish this objective. City programs which provide outreach and education to the community and respond to neighborhood concerns about affordable housing are lacking. This is becoming a constraint to production.

*Actions to improve public information and involvement in Affordable Housing development:*

1. Centralize and systematize Affordable Housing data collection, analysis and reporting concerning the actual impacts of developments in the City, including statistics on property values, demographics, parking, and crime.
2. Develop and adopt community planning participation requirements that must be met to qualify for City financial and administrative support, and that address the need to better inform and communicate with neighbors and community groups likely to be affected by proposed development, as early as is feasible in the development process.
3. Allocate resources to the development of materials and programs to inform the public about the ability of well-designed affordable housing to fit into the fabric of a neighborhood without producing undesirable social, economic, and visual impacts.
4. Develop a Neighborhood Planning Strategy involving city officials from a wide variety of departments, technical staff, non-profit housing development staff, and representatives from community groups in the development of comprehensive neighborhood plans, one aspect of which would be the designation of affordable housing sites.

## **Priorities regarding Geographic Distribution of Affordable Housing Development**

As a result of the mixture of building types and topography in San Francisco, most existing neighborhoods with the exception of the exclusive upper income enclaves contain households earning quite divergent incomes within a two to four block distance. This economic diversity occurs within neighborhoods which look superficially homogeneous due to the pattern of physical development. Density, topography, gentrification, rent control, lifestyle tolerance, and neighborhood character have all been factors contributing to an unplanned income diversity in many neighborhoods.

Once completed, many of the affordable housing developments developed over the last decade become part of the neighborhood fabric, and are thereby indistinguishable from small market rate developments. The successful integration of small affordable housing into neighborhoods has not always enjoyed initial support, but the evidence of good management and new neighbors who are not too different than anyone else gradually produces an irony: passersby and new residents don't know which housing is affordable and which is not. Successful new affordable housing, like existing unplanned affordable housing, is effectively undiscernible.

While there are many sources of fear of and opposition to affordable housing, these are often combined to make claims that affordable housing is a liability rather than an asset. From the future users' point of view, the benefits of affordable housing should be more widely distributed and diversified. The greater liability is the lack of affordable housing resources in neighborhoods that would otherwise be very supportive environments for lower income households.

### *Actions regarding geographic distribution of Affordable Housing:*

1. Identify current levels of concentration of affordable housing developments and work to locate new permanently affordable housing in all of the City's neighborhoods.
2. Develop legislation to support inclusionary housing policy requiring all new large market rate residential developments to include affordable units.

## **Priorities to Avoid or Mitigate Hardships Imposed by Displacement or Discrimination against Minorities**

Racial minorities have historically been concentrated in areas of San Francisco which contain the highest percentages of substandard housing. These areas have also been the primary targets of publicly funded redevelopment efforts. Recently, these areas have also attracted the attention of investors interested in privately funded re-development, and particularly homeownership opportunities. The areas of the City most recently feeling these pressures toward "gentrification" include the Mission District, Chinatown, the Western Addition, the South of Market and the Bayview District. One result of both public and private redevelopment efforts in these areas has

been their transformation from primarily low income minority neighborhoods to neighborhoods with enclaves of upper-moderate income households who are predominantly non-minorities.

The lack of statistics on the race and ethnicity of residents in government-assisted housing makes it difficult to assess or prove discriminatory treatment, but there have been cases suggesting differential treatment by race. For example, a 1989 informal survey of five large, recently completed Redevelopment Area housing projects showed that white persons made up the majority of those renting apartments set aside for low and moderate income renters, in some cases as high as 80 and 90 percent of such renters (S.F. Examiner, August 16, 1989).

Policies and standards must be developed and enforced to ensure that practices that exclude minorities from such housing are abolished, and that those displaced by public redevelopment are included among its beneficiaries.

In the absence of direct public financial involvement, the negative effects of private redevelopment on minority neighborhoods are less easily addressed. Nevertheless, public policy and programmatic efforts that encourage economic and ethnic integration and that reduce direct and indirect discrimination against minorities in the private housing market must be developed and enforced to mitigate these effects.

*Actions to avoid or mitigate hardships imposed by displacement or discrimination:*

1. Provide funding necessary for the Human Rights Commission to promote affirmative marketing efforts and to regularly monitor compliance with fair housing policies in government subsidized or operated affordable housing and private sector housing, including affordable inclusionary units and any other affordable housing required to be developed under any City program or by any City policy, with priority for such monitoring to be given to private sector housing.
2. Develop a comprehensive on-going monitoring program, including a central data reporting and record keeping system by which those City agencies involved in the funding and development of affordable housing will provide pertinent household income, demographics and ethnic composition data for all publicly subsidized housing and any other affordable housing required to be developed under any City program or by any City policy.
3. With consultation from the Human Rights Commission, identify and correct any current policies and practices by City agencies involved in the development or preservation of affordable housing which may lead to racially discriminatory effects.
4. Identify changes in current policy and procedures in the development and preservation of affordable housing to increase language accessibility in all city assisted or managed housing programs.

5. Permit displaced households the right of first refusal to occupy replacement housing.
6. Provide relocation services where publicly funded or private actions cause displacement.
7. Develop policies that would prevent the involuntary displacement of minorities from neighborhoods where they are concentrated, and that would preserve the affordable housing that exists in these neighborhoods.
8. Develop a uniform affirmative marketing plan for any affordable housing developed with government funding or pursuant to any City program or under any City policy.

## RESOURCES

To implement the Five-Year Strategy, the City will make use of three types of financial resources: funds for construction and rehabilitation work ("brick and mortar" or Building Capital); funds for individual and household Rent Subsidies; and funds for providing Supportive Services.

With respect to Rent Subsidies, the Strategy assumes very modest growth in the number and value of subsidies to individuals and families (See Table 3-3 ). The level of federal funding expected to be utilized in San Francisco for this purpose is not expected to be a very significant factor in addressing the City's overall affordable housing needs, although it is recognized that maintaining existing subsidies is essential to prevent those needs from worsening even more. The five-year projection for local funding of rent subsidies through the Modified Payment Plan is based on a strategy that recognizes the need to continue the program at its current level, but does not anticipate any increases.

Despite the priority given to permanent housing for extremely low income and very low income households and individuals, and the recognition that maintaining stable housing conditions requires that optional supportive services be made available, the five-year projection of resources for Supportive Services threatens to render these priorities meaningless (see Table 3-4) unless increased funding for services can be found. In view of the heavy reliance on local funding for such services, and chronic local budgetary difficulties, finding the resources necessary for these services is problematic. In the long run, funds directed at mitigating the conditions that keep lower income persons dependent on public support and at maintaining stable affordable housing are clearly good investments. Consequently, addressing the question of where the money will come from for these services is crucial to the success of the five-year Strategy.

Finding resources sufficient to meet the need for Building Capital subsidies may prove to be equally challenging.

The following is a description of the sources of expected Building Capital funds for the five-year period of the Strategy and an estimate of the total funds expected from each source. These sources are summarized in Table 3-2.

## **Federal Funds**

### Community Development Block Grant Funds. Total \$25,000,000

Community Development Block Grant (CDBG) funds are allocated each year by approval of the Board of Supervisors, after public hearings on the recommendations of the CDBG Citizens Advisory Committee. The Housing Subcommittee of the Citizens Committee prepares recommendations for housing related activities, which have historically included funds for Site Acquisition, rehabilitation of existing housing, governmental housing program administrative costs and non-profit housing development administrative costs. The projected total assumes that current levels of allocation to housing development needs remain constant during the five-year period. Funds for administrative costs are not included in this figure.

### Section 811 Disabled Persons Program. Total: \$4,000,000

This program provides capital advances and tenant subsidies for new construction, substantial rehabilitation and acquisition of housing for very low income persons with physical and developmental disabilities, persons who are chronically mentally ill, and for persons disabled as a result of HIV. It is assumed that Federal funding levels will remain constant at current levels, and that San Francisco based project sponsors will be successful at obtaining grant awards for 30 units per year with an average of approximately \$27,000 per unit in capital subsidy. The awards are competitive and awarded directly to project sponsors.

### Section 202 Elderly Persons Program. Total: \$22,500,000

Section 202 funds can be used for new construction or substantial rehabilitation of housing for very low income elderly persons who are independent, at risk of being frail, or already frail. Funded projects must also provide supportive services, which are not funded by this program. Section 202 funds are provided in the form of capital advances and tenant subsidies. Current levels of funding are expected to remain constant throughout the five-year period, and local project sponsors are expected to be successful at obtaining competitive grant awards for an average of 60 units per year with an average of approximately \$75,000 per unit in capital subsidy.

### HOME Funds. Total \$207,500,000

The HOME program was enacted as part of the 1990 Cranston-Gonzales National Affordable Housing Act. HOME funds are distributed on a formula basis to qualifying local jurisdictions and may be used for rehabilitation, new construction, acquisition and tenant based rental assistance. They may not be used for administrative costs or to match federal funds from other programs. Fifteen percent of the funds must be set aside for non-profits to assist in capacity building. (The submission of a CHAS to HUD is required before any HOME funds can be released.)

The funding authorization for 1992 is likely to result in at least \$7.5 million in HOME funds for San Francisco. In view of the overwhelming disparity between such minimal federal funding and the level of need throughout the country, the 5-year Strategy sets a target of \$50 million per year for the four years to follow. This would require Federal spending for the HOME program to be increased from the current \$1.5 to \$2 billion per year to about \$8 billion.

The funds are entitlement grants to the City and will be administered by the Mayor's Office of Housing and Community Development.

McKinney Supportive Housing Program. Total: \$4,000,000

This program provides capital grants for acquisition and substantial rehabilitation of buildings for transitional housing and permanent housing for handicapped homeless persons. Based on past experience, San Francisco project sponsors are expected to be successful at obtaining an average of \$800,000 per year in such awards. Project sponsors must compete with projects throughout the country for these grants.

Housing Authority CIAP. Total: \$80,400,000

CIAP funds are used for major rehabilitation and reconstruction work on public housing projects. They are competitive grants for which the Housing Authority has been relatively successful in the past two years (at least \$24.7 million is expected for 1992), but are projected to be changed to formula based grants beginning in 1993. The change to a formula-based program is also expected to result in funds available to San Francisco's Housing Authority of no more than approximately \$16.1 million per year. CIAP grants include funds for "management improvements", but the figure given here does not include those portions.

## **State Funds**

All State funds are awarded on a competitive project proposal basis. San Francisco has been very successful in recent years in obtaining funds from the two major State bond-financed programs, and is expected to continue to be successful, although at a reduced rate.

Rental Housing Construction Program (RHCP). Total: \$43,000,000

California Housing Rehabilitation Program (CHRP). Total: \$43,000,000

These two state programs were funded by two general obligation bond issues in 1988 and 1990. The funds may be used for eligible project costs, including land acquisition, construction, and soft costs for developing new rental housing. Funds are lent at 3 percent for 30 years but interest may be deferred. CHRP was also funded by general obligation bond issues in 1988 and 1990. The funds may be used for rehabilitation of existing rental housing, including soft costs. Funds are lent at 3 percent for 20 years, and interest may be deferred. Acquisition is also eligible but requires a 30-year term.

The Strategy assumes successful passage of additional bonds of approximately \$350 million every two years, and that San Francisco non-profits will win approximately 10 percent of the available capital subsidies that result.

## Local Funds

### Tax Increment Bonds.

Total \$72,500,000

The San Francisco Redevelopment Agency Commission and the Board of Supervisors approve the budget for the Redevelopment Agency which includes the annual allocation of Tax Increment Bonds. The Agency adopted a policy in 1989 that exceeds State requirements by committing 55 percent of all Tax Increment Bond proceeds for affordable housing. The allocation of these funds is by the Tax Increment Bond Loan Committee, composed of the Director of the Mayor's Office of Housing and Community Development, the Director of the Redevelopment Agency, and the Housing Programs Administrator for MOHCD. They adopt criteria for soliciting proposals for several rounds of allocations approximately every four months.

In addition to the \$18 million in tax increment funds available for 1992, the Agency is expected to issue bonds that will make approximately \$8 million per year available for the Citywide Tax Increment Housing Program, \$2.5 million per year for the Subsidized Housing Preservation Program, and \$5 million per year for specific Redevelopment Project Areas in the City over the next five years.

### Office Affordable Housing Production Program (OAHPP).

Total \$6,400,000

OAHPP is an ordinance requiring developers of new commercial office developments to make a mitigation contribution to affordable housing, with several options as stipulated by the ordinance. In general, either a mitigation fee is paid to MOHCD, or a direct project contribution to an affordable housing development is made. The Planning Department and MOHCD must approve the mitigation measure, which must be made prior to receipt of occupancy permits by the commercial office developer. OAHPP funds must be used for construction of new housing units.

Due to the recent downturn in the construction of office buildings and the existence of outstanding "credits" from an earlier program that are expected to remain available to developers for the next two years, no OAHPP funds are expected until 1995, when contributions to the fund are expected to resume at a rate of about \$3,200,000 per year.

### Hotel Tax.

Total \$15,000,000

The Portion of the Hotel Tax allocated for housing is established by ordinance, and the allocation is from the Controllers Office through the Chief Administrative Officer. The Ordinance requires the funds to be used only for the new construction of low income elderly/disabled housing units. One of the objectives of the Strategy is to amend the ordinance to allow use of the funds for other new construction categories. The Strategy assumes that the current annual yield of \$3 million will remain constant.

#### Hotel Conversion Ordinance.

Total \$1,000,000

The Hotel Conversion Ordinance requires owners of residential hotel rooms to replace units which are to be removed from the housing market through a variety of means outlined in the Ordinance. Units are replaced both through mitigation payments paid to MOHCD, and through one of the eligible programs for direct replacement. Typically, a directly replacement is accomplished by providing financial support to a developer of new low income housing, or entering into a joint venture partnership with an affordable housing developer. The Planning Commission must approve the proposal, and MOHCD is involved only if a direct mitigation payment is to be made. About \$1 million is expected to be available from this source during the 5-year Strategy period.

#### Mission Bay Developer Contributions.

Total \$8,700,000

During the period of the 5-year Strategy, the Mission Bay development agreement is expected to result in contributions to the City of land valued at approximately \$3,700,000, and cash contributions in the amount of about \$5,000,000.

#### Mission Bay City and County Funds.

Total \$16,300,000

Local subsidy dollars are expected to be needed to produce approximately 148 units of affordable housing in Mission Bay during the 5-year period. The given figure is based on an assumption that no state subsidies will be available for these units.

#### Seismic Rehabilitation Bonds.

Total \$25,000,000

The City is considering a program to provide bond-financed funds for the seismic upgrading of residential unreinforced masonry buildings, in order to protect the affordability of the many low-cost units currently found in these buildings. Assuming voter approval of a bond measure to raise these funds, approximately one-third of the estimated \$75 million worth of funds would be available during the 5-year period of the Strategy.

#### Affordable Housing Fund.

Total \$67,500,000

In the first program of its kind in San Francisco, the Board of Supervisors in 1983 appropriated \$10,000,000 of general fund money to the Housing Affordability Fund, in order to support affordable housing development throughout the City and to provide a depth of flexibility not found in other City programs. The 5-year Strategy assumes that support can be obtained for renewal of this allocation of general fund revenues in the amount of \$15 million per year beginning with next fiscal year (July 1992-June 1993).

### **Private Funds**

#### Inclusionary Zoning Programs.

Total \$30,000,000

The Planning Commission and the Redevelopment Agency have each adopted policies requiring the developers of market rate housing to include a minimum number of affordable units within their developments. The policy applies to situations where the value of density, height, setback, and other bonuses, or the investment of public funds improve a project sponsor's property.

One thousand units of affordable housing are expected to be contributed through these policies during the 5-year Strategy period, at an approximate per unit subsidy value of \$30,000.

Private-Owner Matching Funds.

Total \$6,640,000

The Strategy includes continuation of a program to provide rehabilitation loans to private owners of rental housing in exchange for long-term affordability restrictions. The program will require that private owners match public funds at a ratio of 40 to 60 percent. Assuming that sufficient local funds are available in the amounts described above, this private-owner contribution should total approximately \$6,640,000 over the five year period.

Private Single-Family Debt/Equity.

Total \$60,000,000

First-time ownership housing will be primarily funded through mortgages to be paid by the purchasers. The figure given is based on an assumption that 75 percent of the costs of these units will be carried by these mortgages.

Private Multi-family Debt/Equity.

Total \$50,955,620

The estimated \$51 million over five years available from private multi-family debt or equity contributions is based on assumptions that current matching or borrowing requirements prevail throughout the period.

Net Limited Partner Equity.

Total \$204,672,933

The Federal Low Income Housing Tax Credit has been a major source of capital financing for affordable housing in recent years. It is listed under Private sources since capital is raised by the formation of limited partnerships between non-profit developers and private investors who purchase federal tax credits in exchange for capital contribution to development. Allocation of credits is a competitive process, with rules favoring construction of multi-family rental housing.

The amount of capital that can be raised in this manner is limited in a number of ways, including federal limitations on how many credits each State may allocate to such partnerships, and the strength of the market for such credits. Assuming favorable conditions with respect to these and other limitations, the figure given is a calculation based on the likely percentage of total costs that would be paid by tax credit capital if the levels of funding described for other funding sources above are realized.

**Table 3-2: Projected Five-Year Building Capital Subsidies**

<u>Source</u>	<u>Five-Year Total</u>	<u>Comments</u>
<b><u>FEDERAL:</u></b>		
o CDBG - MOHCD Programs	\$17,500,000	Assumes annual funding stays constant at 1991-1992 levels.
- SFHA Programs	\$7,500,000	Assumes annual funding stays constant at 1991-1992 levels.
o Section 811 Disabled Persons	\$4,000,000	Assumes 30 units per year awarded grants.
o Section 202 Elderly Persons	\$22,500,000	Assumes 60 units per year awarded grants.
o HOME	\$207,500,000	Assumes \$7.5 million in 1992, rising to \$50 million per year for 1993-1996.
o McKinney Supportive Housing	\$4,000,000	Assumes grant awards of two projects per year at average \$400,000 for construction. Does not include value of operating subsidies.
o CIAP/Comprehensive Grant to SFHA	\$80,400,000 <sup>4</sup>	Assumes full funding of pending \$24.7 million application and entitlements for next four years of \$16.1 million each year.
<u>Federal Subtotal:</u>		<u>\$342,700,000</u>
<b><u>STATE:</u></b>		
o RHCP	\$43,000,000	Assumes successful passage of state housing bonds for RHCP and CHRP of \$350 million every two years with SF getting 10% of the funds.
o CHRP	\$43,000,000	
o State HOME	\$9,000,000	
<u>State Subtotal:</u>		<u>\$95,000,000</u>
<b><u>LOCAL:</u></b>		
o Citywide Tax Increment Funds	\$40,000,000	Assumes average of \$8 million per year.
o SFRA Other Program Funds	\$32,500,000	Assumes average \$2.5 million per year for Preservation Funds, \$4 million per year for Project Areas.

<sup>4</sup>CIAP funds are allocable only to Housing Authority Rehabilitation needs. Amount shown does not include estimated five-year total of \$6.24 million in CIAP funds for management improvements.

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<u>Source</u>	<u>Five-Year Total</u>	<u>Comments</u>
o OAHPP	\$6,400,000	Assumes slump in office building completions continues through 1994.
o Hotel Tax	\$15,000,000	Assumes current annual yield of \$3 million continues.
o Hotel Conversion Fees	\$1,000,000	
o Mission Bay Land Contributions	\$3,700,000	Estimated land value for 148 units @ \$25,000 per unit.
o Mission Bay Cash Contributions	\$5,000,000	Assumes contribution of \$20,000 per unit for 250 units (SRO) off-site.
o Mission Bay Gen. Fund Requirement	\$13,100,000	Assumes local subsidy required for 148 units no state subsidies.
o Mission Bay Tax Increment Bonds	\$3,200,000	
o Seismic Rehabilitation Bonds	\$25,000,000	Assumes voters approve \$75 million for 13 year program, with 1/3 of funds for 5 year period.
o Affordable Housing Fund	\$67,500,000	Assumes \$15 million per year in general fund allocations beginning in July 1992.
<u>Local Subtotal:</u>		<u>\$212,400,000</u>
<b><u>PRIVATE:</u></b>		
o Inclusionary Zoning	\$30,000,000	Assumes average developer subsidy of \$30,000 per unit for estimated 1000 units.
o Private-owner Matching Funds	\$6,640,000	Assumes private owners pay 40% of total rehabilitation costs.
o Private Single-Family Debt/Equity	\$60,000,000	Assumes private mortgages carry 75% of purchase price for ownership housing.
o Private Multi-Family Debt/Equity	\$50,955,620	Assumes that current matching or borrowing requirements prevail throughout five year period.
o Federal Tax Credit Proceeds	\$204,672,933	Assumes other sources of funding listed above reach given levels.
<u>Private Subtotal:</u>		<u>\$352,268,553</u>
<b><u>TOTAL AMOUNT:</u></b>	<b>\$1,002,368,553</b>	

**Table 3-3: Projected Five Year Household Rent Subsidies**

<u>Source</u>	<u>Five-Year Total</u>	<u>Comments</u>
<b><u>FEDERAL:</u></b>		
o McKinney SRO <sup>5</sup>	\$2,511,000	Assumes annual awards of 100 units per year at a total annual subsidy amount of \$502,200.
o Section 8		
- Certificate Program	\$9,414,800 <sup>6</sup>	Assumes annual awards of new 250 Certificates per year with a total annual contributions contract amount of \$2,927,500 per year.
- Project-Based Certificates	\$5,222,700	Assumes 100 new Certificates each for first four years, 18 the fifth year, maximizing total allowable under HUD regulations. <sup>7</sup>
- Voucher Program	\$5,855,000	Assumes 100 new Vouchers each year with a total annual contributions contract of \$1,171,000 per yr.
- Aftercare Program <sup>8</sup>	\$3,513,000	Assumes 60 new Vouchers each year with a total annual contributions contract of \$702,600 per yr.
- Opt-out Voucher Program <sup>9</sup>	\$7,561,740	Assumes 120 new Vouchers each year with a total annual contributions contract of \$1,514,348 per yr.
<u>Federal Subtotal:</u>		<u>\$34,078,240</u>
<b><u>STATE:</u> NONE</b>		
<b><u>LOCAL:</u></b>		
o Modified Payment Plan	\$15,600,000	Assumes current average of 1,000 individuals per night with total annual GA rent payments of \$3,120,000.
<u>Local Subtotal:</u>		<u>\$15,600,000</u>
<b><u>TOTAL AMOUNT:</u></b>		<b><u>\$58,203,240</u></b>

<sup>5</sup>*Includes some funds for support services as well as operational subsidies.*

<sup>6</sup>*Does not include value of Project-based Certificates.*

<sup>7</sup>*HUD permits maximum 15% of total Certificates to be project-based. As of January, 1997, SFHA will have 2600 total Certificates, of which 131 will be project-based. The number of project-based Certificates is expected to increase by 100 per year until the maximum 577 (15% of 3,850 expected 1996 total) is reached in year 5.*

<sup>8</sup>*For physically and mentally disabled households.*

<sup>9</sup>*For tenants of buildings with expiring subsidies whose owners opt-out of subsidy program.*

Table 3-4: Projected Five Year Supportive Services Strategy Funds<sup>10</sup>

<u>Source</u>	<u>Five-Year Total</u>	<u>Comments</u>
<b><u>FEDERAL:</u></b>		
o CDBG	\$1,000,000	Assumes \$200,000 annually from "Homeless Services Program Pool" <sup>11</sup>
o McKinney	\$5,500,000	Assumes \$1.1 million annually for five transitional housing programs and one emerg. housing program
o Emergency Shelter Grant Program <sup>12</sup>	\$2,200,000	Assumes current level of funding remains constant for five years.
<u>Federal Subtotal:</u>		<u>\$8,500,000</u>
<b><u>STATE:</u> NONE</b>		
<b><u>LOCAL:</u></b>		
o DSS		
- Emergency Shelter <sup>13</sup>	\$4,500,000	Assumes current levels of funding remain constant for five years.
- Transitional Housing <sup>14</sup>	\$1,400,000	
- Permanent Housing <sup>15</sup>	\$3,120,000	
- Other Services <sup>16</sup>	\$3,000,000	
o DPH	--	Figure to be added when data becomes available.
o COMMISSION ON THE STATUS OF WOMEN	--	Figure to be added when data becomes available.
o PRIVATE	--	Figure to be added when data becomes available.
<u>Local Subtotal:</u>		<u>\$12,020,000</u>
<b><u>TOTAL ALL SOURCES:</u></b>	<b><u>\$20,520,000</u></b>	

<sup>10</sup>Does not include vocational or economic development training services.

<sup>11</sup>Part of these funds will be used for emergency shelter and other purposes not associated with permanent housing.

<sup>12</sup>Pays for operating costs of emergency shelters.

<sup>13</sup>Five emergency shelters and three multi-service centers.

<sup>14</sup>Five transitional housing programs.

<sup>15</sup>Services in permanent housing and the modified payment program.

<sup>16</sup>Other services to homeless single adults families and youth.

## **The Cost of the Strategy**

To develop a truly accurate estimate of the cost of meeting the preferred production goals of the needs-based Five-Year Strategy will take considerably more time than has been available for the development of this year's CHAS. However, in order to gain perspective on the relationship of expected resources during the five-year period of the CHAS to the level of identified need (or preferred production levels), the Mayor's Office of Housing and Community Development has provided rough estimates of each of the types of activity called for in the Priorities for Investment and produced a "ballpark" estimate. Based on this projection, the level of capital investment needed to reach the preferred production goals of the 5 year Strategy would be approximately \$2 billion.

Estimates of the identifiable resources for the next five years, even with certain optimistic assumptions about State, Federal and local increases in funding, total approximately half of this staggering figure. If alternative production goals are based on these identified resources instead of the identified need, a list of ambitious but somewhat more realizable goals would still average about \$203 million per year in total development costs, or at least \$65,000,000 per year more than the approximately \$135 million combined cost of all affordable housing development in the City in 1991.

This required increase is due not just to the need to produce more units, but also to the need to shift efforts into building and renovating units that are significantly more expensive to produce. A comparison of the Preferred Targets based on identified needs in the Strategy to the Alternative number of units based on the identified resources is summarized in Table 3-5.

### **Additional Sources Required**

The additional resources needed to meet the City's needs for affordable housing must come from State and Federal sources.

State voters must approve significantly more than the projected \$350 million in bonds to fund RHCP and CHRP programs. If not, based on current leveraging, San Francisco would need the entire bond allocation for the State for the next five years.

The Federal government must substantially enlarge the Low Income Housing Tax Credit program, or provide greater project-based direct subsidies, and special user housing grants, closer to the levels funded during the 1970s.

The Federal government must also provide more substantial protection against the loss of affordable housing due to expiring subsidies and mortgage prepayments, to meet the actual need for such support. All existing subsidized housing must have subsidies extended or the buyout funds necessary to maintain their affordability must be provided by the Federal government.

The Federal government must take responsibility as well for the 90 percent reduction in funds for public housing during the 1980s which resulted in grossly inadequate maintenance and is the major reason the current public housing stock is so greatly in need of major rehabilitation. Support for both operating expenses and rehabilitation work must be more realistically tied to the actual need for such support.

**Table 3-5: Alternate Five-Year Targets vs. Preferred Targets**

<u>Program Type</u>	<b>NUMBER OF UNITS</b>		
	<u>Preferred<sup>17</sup></u>	<u>Alternate<sup>18</sup></u>	<u>Shortfall</u>
<b>REHABILITATION</b>			
o Non-profit Multifamily	2,700	1,172	1,528
o Private-owner Multifamily	1,000	475	525
o Housing Authority	4,290	1,758	2,532
o Residential Hotels (SRO)	2,000	1,173	827
o Group Housing	700	350	350
o Expiring Subsidy Buildings	(3,143)	(3,143)	0
o Tenant Cooperatives	100	100	0
<b>Subtotal Rehabilitation:</b>	<b>10,790</b>	<b>5,028</b>	<b>5,762</b>
<b>NEW CONSTRUCTION</b>			
o New Residential Hotels (SRO)	1,000	717	283
o New Family Rental Housing	4,200	2,176	2,024
o New Elderly Housing	1,500	321	1,179
o New Group Housing	1,000	500	500
o New Ownership Housing	500	400	100
o New Substance Abuse Facilities	500	333	167
o Inclusionary Housing Units	600	600	0
<b>Subtotal New Construction:</b>	<b>9,300</b>	<b>5,048</b>	<b>4,252</b>
<b>Total Rehabilitation and New Construction:</b>	<b>20,090</b>	<b>10,076</b>	<b>10,014</b>

<sup>17</sup>Based on Identified Needs and Priorities of Five-Year Strategy.

<sup>18</sup>Based on Identified Resources and Priorities of Five-Year Strategy. Also reflects some reallocation of resources based on an estimation of the likely degree of difficulty involved in locating unaccounted for resources to accomplish specific types of development activity.

# CHAS Table 3

## Priorities for Assistance

### 5-Year Plan

U.S. Department of Housing and Urban Development  
Office of Community Planning and Development

#### Comprehensive Housing Affordability Strategy (CHAS)

Name of Jurisdiction(s) or Consortium:

City and County of San Francisco

Five Year Period: (enter fiscal yrs.)

FY: 92 through FY: 96

Activity		Renters				Owners			Homeless Persons (H)	Other Persons with Special Needs (I)
		Elderly 1 & 2 Member Households (A)	Small Related (2 to 4) (B)	Large Related (5 or more) (C)	All Other Households (D)	Existing Homeowners (E)	First-Time Homebuyers			
							With Children (F)	All Others (G)		
Very Low-Income Persons	1. Moderate Rehabilitation / Acquisition	1	1	1	1	NP	NP	NP	1	1
	2. New Construction, Substantial Rehabilitation, Related Infrastructure	1	1	1	1	NP	NP	NP	1	1
	3. Rental Assistance	2	2	2	2				2	2
	4. Homebuyers Assistance						3	3		
	5. Support Facilities and Services	1	1	1	1	NP	NP	NP	1	1
Other Low-Income Persons	6. Moderate Rehabilitation / Acquisition	2	2	2	2	NP	NP	NP	1	1
	7. New Construction, Substantial Rehabilitation, Related Infrastructure	1	1	1	2	NP	NP	NP	1	1
	8. Rental Assistance	2	2	2	2				2	2
	9. Homebuyers Assistance						3	3		
	10. Support Facilities and Services	2	2	2	2	NP	NP	NP	1	2

NP = Not a priority



## **SECTION THREE: ONE-YEAR PLAN**

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**Part Four: Resources**

**Part Five: Implementation**



## INTRODUCTION TO THE ONE-YEAR PLAN

The Five-Year Strategy establishes ambitious but attainable goals that represent a two-fold increase in the annual rate of affordable housing production. This rate of increase cannot be achieved in the first year, due to the need to first increase the capacity to undertake this level of production and to the anticipation of less than adequate funding,. Local budgetary constraints combined with State and Federal budget projections at this time also indicate that the average annual level of support services required by the Five Year Strategy cannot be attained in the first year, and may in fact stay at 1991 levels through 1993.

The wide variety of affordable housing projects typically undertaken in San Francisco will continue to occur, in order to respond to the diverse needs. This means that rehabilitation projects will range from individual single family dwellings, to apartment and residential hotel structures housing several hundred individuals. Similarly, the new construction program will include a range of developments from 10 units to over 200 units.

As affordable housing development can take from 6 months to 6 or more years to complete, and may often require staged funding over several years, housing efforts must be measured in several ways. Since any year's funding effort will yield results over a multiple year period, yearly objectives are proposed to be made and measured by initial funding commitments, rather than project completions. In the "Monitoring" section of this Plan, there is a more detailed description of how the commitment of funds and the production of units will be tracked, monitored, and accounted.

## PART FOUR: RESOURCES FOR THE ONE-YEAR PLAN

*The "Resources" section of the One-Year Plan identifies funds that are projected to be available for housing production, subsidy, and supportive services during 1992. Federal, state, and local funding sources are described, and the factors affecting the distribution of these funds are assessed. Finally, local matching requirements for state and federal programs are discussed.*

### INTRODUCTION

Typically funds from more than one source and from multiple agencies are used to assist any affordable housing development, whether for the general population or for those with supportive housing needs. Some of these funds may be used for only certain types of housing activities, while others have no restrictions. Due to the funding commitment deadlines imposed by various competitive State and Federal housing programs, it has been advantageous in the past to maintain flexibility in the combination of local funds that can be used as required.

San Francisco as a City and County maintains housing programs under several different agencies as previously described. The Mayor's Housing Advisory Committee considered whether an institutional reorganization of these entities would be required to make the use of funds more efficient or productive. It was concluded in the Affordable Housing Action Plan that a better system of coordinating and managing the existing entities was required. However, it was proposed that major reorganization only be considered at a future date if the improved coordination and management system did not serve the needs as identified.

The coordination of City Agencies has become more centralized since 1989, and substantial reorganization is no longer being considered. Neither is it proposed to discontinue the existing multiple agency, multiple fund structure in order to create two separate and distinct "Supportive Service Housing" and "General Affordable Housing" programs. Instead, it is proposed to more specifically target the program efforts and fund allocations to achieve the One Year Plan and Five Year Strategy objectives through the management function of the existing Affordable Housing Coordinating Group. This Group is currently composed of the Director of the Mayor's Office of Housing and Community Development, the Executive Director of the Redevelopment Agency, and the Director of the San Francisco Housing Authority.

## THE AVAILABILITY OF FUNDING FOR 1992

Program descriptions and explanations of funding requirements for the sources listed below are included in the Five-Year Strategies section (Part Three). Any specific differences or assumptions relevant to the One-Year Plan are explained below.

### Federal Funds

Community Development Block Grant Funds Total \$5,000,000<sup>1</sup>

The One-Year Plan assumes that CDBG funds will be allocated to housing development uses at the current levels.

Section 811 Disabled Persons Program Total: \$800,000

San Francisco based project sponsors are expected to be successful at obtaining grant awards for 30 units in 1992 with an average of approximately \$27,000 per unit in capital subsidy.

Section 202 Elderly Persons Program Total: \$4,500,000

San Francisco based project sponsors are expected to be successful at obtaining grant awards for 60 units in 1992 with an average of approximately \$75,000 per unit in capital subsidy.

HOME Funds Total \$7,500,000

The City expects HOME funds to be allocated to the City for 1992 in the amount of \$7,500,000.

McKinney Supportive Housing Program Total: \$800,000

Based on past experience, San Francisco based project sponsors are expected to be successful at obtaining grant awards for two projects in 1992 with an average of approximately \$400,000 per project.

Housing Authority CIAP Budget Total: \$22,971,000<sup>2</sup>

The Housing Authority has applied to HUD for C.I.A.P. funds and expects to receive \$24,700,000 for 1992. The application includes a request for \$1.729 million for management improvements. The amount that HUD will be able to fund has not yet been determined, and is most likely to be less than the amount requested.

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<sup>1</sup>Does not include administrative funds for MOHCD or non-profit Housing Development Corporations.

<sup>2</sup>This amount does not include any funds for management improvements.

## State Funds

All State funds are awarded on a competitive project proposal basis.

Rental Housing Construction Program (RHCP) Total: \$8,600,000

California Housing Rehabilitation Program (CHRP) Total: \$8,600,000

Based on past experience, San Francisco-based project sponsors are expected to be successful at obtaining RHCP and CHRP allotments worth approximately \$8.6 million each in 1992.

## Local Funds

Tax Increment Bonds Total \$18,000,000

The Redevelopment Agency expects to provide \$8 million for Citywide Tax Increment Housing, plus \$1.8 million for the Subsidized Housing Preservation Program, and \$8.2 million for Redevelopment Project Areas during 1992.

Office Affordable Housing Production Program (OAHPP) Total \$-0-

The downturn in the construction of office buildings is the basis for the projection that no payments will be received in 1992.

Hotel Tax Total \$3,000,000

The Portion of the Hotel Tax allocated for housing is established by ordinance, and the allocation is from the Controllers Office through CAO. The Ordinance requires the funds to be used only for the new construction of low income elderly/disabled housing units. An objective of the one year plan is to amend the ordinance to allow use of the funds for other new construction categories.

Hotel Conversion Ordinance Total \$500,000

## Private Funds

Inclusionary Zoning Programs Total \$700,000

It is expected that the value of private developer subsidies for 1992 will be approximately \$700,000.

Private Matching Funds Total: \$1,680,000

San Francisco will continue to provide rehabilitation loans to private owners of rental housing in exchange for long-term affordability restrictions. The program will also require that private owners match public funds at a ratio of 40 to 60 percent. 120 units are targeted for such rehabilitation funding in 1992, with owners' matching funds at approximately \$14,000 per unit.

## Factors Affecting the Distribution of Funds

Several factors combine to shape the distribution of funds in the 1992 One Year Plan, and will likely affect the 1993 Plan as well.

1. Budget Cycles and Local General Fund Allocations. The San Francisco fiscal year runs from July 1 through June 30. Therefore, yearly commitments for General Fund allocations for housing production, support services, social services, etc. have already been made through June of 1992.
2. Prior Funding Commitments. Several sites that have been recently acquired by non-profits have already been determined to be best suited for elderly or disabled persons. As a result, the One Year Action Plan reflects the allocation of funds in a lower proportion for homeless and families, and a higher proportion for seniors/disabled than is the goal of the Five Year Strategy. Table 4-1 indicates the commitments already made to complete current developments.

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**Table 4-1: FY 1991-1992 Affordable Housing Funding Commitments Through 8/15/91**

<u>Type</u>	<u>Project Name</u>	<u>Number of Units</u>	<u>1992 Funds Committed</u>
Family Rental	Fell & Gough Sts.	100	\$1,500,000
Elderly	Pepsi Site	50	\$ 500,000
SRO	Anglo Hotel	<u>140</u>	<u>\$1,500,000</u>
TOTAL COMMITTED		290	\$3,500,000

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*Notes:*

*Excludes Phelan Loop (120 units elderly, \$3,900,000), Wolff House (30 units elderly, \$1,600,000), and Post Office (63 units elderly, \$2,500,000). These projects were funded in FY 91 but may be constructed during calendar year 1992. Funding for Anglo Hotel is tentatively committed for FY 93, but work could begin during calendar year 1992.*

3. Public Participation and Public Review. San Francisco is a substantially developed city, and most affordable housing sites occur within a clearly established neighborhood context. The desire to seek sufficient community involvement in development alternatives and the extensive local requirements for public review and approval mean a much greater time is taken for affordable housing development in San Francisco than in many other jurisdictions. It is normal for a new affordable housing development to take 3 to 4 years from initial concept exploration to final occupancy, with up to 2 of those years spend in public participation and City approvals.

Additionally, the target production goals of the Five Year Strategy place a major emphasis on serving homeless persons and very low income families with dependents. Developments benefitting these populations especially require adequate public involvement prior to funding commitments and approvals.

### **Matching Requirements**

Among the anticipated resources for implementing the Five-Year Strategy, the only major funding source with matching requirements is the HOME program, which has different requirements for non-Federal funds to match HOME funds depending upon whether the HOME funds are used for new construction, substantial rehabilitation, or rehabilitation activities. Non-Federal funds must be applied by formula to each type of project, and must be taxable and not tax-exempt.

At the anticipated federal HOME funding level of \$7,500,000 the City has sufficient non-Federal funds for this matching requirement from non-tax exempt sources. If the funding level increases to the full annual authorization, the City's HOME funding allocation would be approximately \$15,000,000 which would require a maximum of \$7,500,000 in non-Federal funds. In 1992, approximately \$15,000,000 in local funds will be available to match HOME funds, which is four times the likely required amount.

In the earlier years of the Five-Year Strategy about half the local funds will come from taxable bonds repaid by the tax increment in Redevelopment Project Areas. In latter part of the five year plan, Mission Bay land would be a source of matching funds.

The HOME matching requirement is on a program-wide basis, rather than on a project by project basis. For example, local Hotel Room Tax funds committed to a new construction project for senior housing (the type of use for which such funds are restricted), can nevertheless be considered local matching funds even though no HOME funds are actually used on the same project. Conversely, HOME funds (so matched with such local funding) can be used to finance projects that have little or no City funding themselves. Consequently, as a result of this anticipated availability of local matching funds, the City is likely to have considerable flexibility in designing its implementation plans for the next several years.

Other Federal Programs. The Section 202 program has cost containment provisions. To ensure that projects are compatible with surrounding neighborhoods, the City will contribute additional funding. The City has sufficient Hotel Tax Funds for this purpose.

State Programs. Though not a requirement, the State of California ranks applications by the ratio of State dollars to the total project cost. City funds are used to increase the leverage of State funds, such as the California Housing Rehabilitation Program, and the Rental Housing Construction Program.

In practice all funders of affordable housing including the City are seeking to leverage other available resources to greatest possible extent. The City requires project sponsors to maximize non-local funding sources, while providing sufficient local funds to make each proposal competitive. As an example, San Francisco projects have received almost 20 percent of all RHCP fund commitments to date, while the City has less than 2.5 percent of the State's population.

Table 4-2 summarizes identified housing development resources for 1992.

Table 4-2: Projected Building Capital Subsidies

<u>Source</u>	<u>Amount</u>	<u>Allowable Uses</u> <sup>3</sup>
<b>FEDERAL</b>		
o CBDG		
-- MOHCD	\$3,500,000	
-- SFHA	\$1,500,000	Public Housing Rehab
o HOME	\$7,500,000	
o Section 811	\$800,000	Very Low Inc. Disabled
o Section 202	\$4,500,000	Very Low Inc. Elderly
o McKinney Supportive Housing	\$800,000	Handicapped Homeless
o CIAP	\$22,971,000	Public Housing Rehab
<u>Total Federal Sources:</u>	<u>\$41,571,000</u>	
<b>STATE</b>		
o RHCP	\$8,600,000	Rental new construction
o CHRP	\$8,600,000	Rental Rehabilitation
<u>Total State Sources:</u>	<u>\$17,200,000</u>	
<b>LOCAL</b>		
o SFRA Tax Increment Funds		
Citywide Program	\$8,000,000	Decided by Committee <sup>4</sup>
Preservation Program	\$1,800,000	Expiring subsidies projects
Project Areas	\$8,200,000	
o Hotel Tax	\$3,000,000	New elderly housing <sup>5</sup>
o Hotel Conversion Fees	\$500,000	Newly created units of all types
<u>Total Local Sources:</u>	<u>\$21,500,000</u>	

<sup>3</sup>Unless noted, funds may be used for all hard and soft costs of development except administrative costs.

<sup>4</sup>Overall goal is to distribute funds: 1/3 to homeless needs, 1/3 very low income families, 1/3 all other categories.

<sup>5</sup>Proposed to increase allowable uses, per 1992 objective.

Table 4-2, page 2

<u>Source</u>	<u>Amount</u>	<u>Allowable Uses</u>
<b>PRIVATE</b>		
o Inclusionary Zoning		
-- SFRA	\$200,000	
-- DCP	\$500,000 <sup>6</sup>	
		Primarily moderate income first time homebuyers & low income rental for small families
<b>TOTAL ALL SOURCES:</b>	<b>\$80,971,000<sup>7</sup></b>	
<b>TOTAL LOCALLY ADMINISTERED:</b>	<b>\$34,000,000<sup>8</sup></b>	

<sup>6</sup>Approximate value of developer subsidies.

<sup>7</sup>Does not include Private-owner Matching Funds, Debt-Equity or Limited Partnership Equity from use of Low Income Tax Credits.

<sup>8</sup>Includes CDBG, HOME, Tax Increment (Citywide and Project Area), Hotel Tax, Hotel Conversion Funds.

## CHAS Table 4/5A

U.S. Department of Housing and Urban Development  
Office of Community Planning and Development

## Anticipated Resources &amp; Plan for Investment

Comprehensive Housing Affordability Strategy (CHAS)

Name of Jurisdiction(s) or Consortium:

City and County of San Francisco

FY:

92

Funding Source Federal Funds Awarded or to be Awarded to Jurisdiction	Anticipate to be Available (A)	Expect to Commit (B)	Anticipated resources expected to be committed to projects/activities during FY (\$000's)							
			Rehabilitation (C)	Acquisition (D)	Tenant Assistance (E)	New Construction (F)	Home Buyer Assistance (G)	Planning Grants (H)	Support Services (I)	Operating Costs (J)
1. Home	\$7.5 MIL	\$7.5 MIL				\$7.5 MIL				
2. Hope 1										
3. Hope 2										
4. Hope 3										
5. CDBG	\$5.0 MIL	\$5.0 MIL	\$1.5 MIL	\$3.5 MIL						
6. DOE/Other Energy Prg.										
7. Other (Specify)										
8.										
9. Subtotal - Housing	\$12.5 MIL		\$1.5 MIL	\$3.5 MIL		\$7.5 MIL				
10. CDBG (Homeless)										
11. ESG										
12. Perm. Housing for Handicapped										
13. Transitional Housing	\$800,000	\$800,000	\$800,000							
14. Shelter Plus Care										
15. Other (Specify)										
16.										
17.										
18. Subtotal - Homeless	\$800,000	\$800,000	\$800,000							
19. Total to Jurisdiction	\$13.3 MIL	\$13.3 MIL	\$2.3 MIL	\$3.5 MIL		\$7.5 MIL				

Funding Source Federal Funds Awarded or to be Awarded to Other Entities	Anticipate to be Available (A)	Expect to Commit (B)	Anticipated resources expected to be committed to projects/activities during FY (\$000's)							
			Rehabilitation (C)	Acquisition (D)	Tenant Assistance (E)	New Construction (F)	Home Buyer Assistance (G)	Planning Grants (H)	Support Services (I)	Operating Costs (J)
20. Hope 1										
21. Hope 2										
22. Hope 3										
23. Section 202 Elderly	\$4.5 MIL	\$4.5 MIL	\$2.25 MIL			\$2.25 MIL				
24. Section 811 Handicapped	\$800,000	\$800,000				\$800,000				
25. Rental Certificates										
26. Rental Vouchers										
27. Mod Rehab SROs Proj.										
28. Perm. Housing for Handicapped										
29. Transitional Housing										
30. LIHTC	\$26.8 MIL		\$5.4 MIL			\$21.4 MIL				
31. Public Housing MROP										
32. Public Housing Develop.										
33. Public Housing CIAP	\$22.971 M		\$22.971 M							
34. Public Housing Compre- hensive Grant Program										
35. FmHA										
36. Other (Specify)										
37.										
38.										
39. Total - Other Entities	\$55.071 M		\$30.621 M			\$24.45 M				
40. Total - Federal	\$68.371 M		\$32.921 M							

Funding Source Non-Federal Funds	Anticipate to be Available (A)	Expect to Commit (B)	Anticipated resources expected to be committed to projects/activities during FY (\$000's)							
			Rehabilitation (C)	Acquisition (D)	Tenant Assistance (E)	New Construction (F)	Home Buyer Assistance (G)	Planning Grants (H)	Support Services (I)	Operating Costs (J)
41. Total State Funds	\$17.2 M		\$8.6 M			\$8.6 M				
42. Total Local Funds	\$21.5 M	\$21.5 M	\$5.8 M	\$1.8 M		\$13.9 M				
43. Total Private Funds	\$24.4 M		\$6.5 M	\$12.7 M		\$5.2 M				
44. Total - Non-Federal Funds	\$63.1 M		\$20.9 M	\$14.5 M		\$27.7 M				
45. Grand Total All Funds	\$131.471 M		\$53.821 M	\$18.0 M		\$59.65 M				

## PART FIVE: IMPLEMENTATION OF THE ONE-YEAR PLAN

*The Implementation Section of the One-Year Plan includes numerical targets for housing production, subsidy, and supportive services based on the anticipated level of funding for 1992. Targets are based on the priorities set forth in the "Strategies" section. The One-Year Plan also includes measures to increase development capacity and broaden development benefits. This Section concludes with a monitoring plan to measure the effectiveness of the city's housing programs and policies.*

### INTRODUCTION

There are three general categories of Affordable Housing Objectives for 1992, parallel to the three sets of Priorities in the Five Year Strategy. Under each set of Priorities, there is a brief statement of the major challenges to be addressed in 1992 followed by the objectives.

### ALLOCATING DEVELOPMENT INVESTMENTS

To attain the goals of the Five Year Strategy will require an even greater degree of coordination on the part of the city's funders, non-profit developers, and social service providers. The allocation of development funds by multiple agencies under the direction of the Affordable Housing Management Group will require more community and non-profit advice in advance, and more specific and closer on-going monitoring in order to steer the housing delivery system. While over half of the funds have already been committed, the remaining funds should be allocated consistent with the needs distribution as indicated on Table 5-1.

#### **Priorities and Objectives for Addressing the Needs of Homeless and Potentially Homeless Households**

- A. Expand the supply of permanent housing affordable to extremely low income families and individuals.

##### *1992 Objectives:*

1. Fund 100 units of new multiple-bedroom units for extremely low income families, with space for supportive services.

Table 5-1: One-Year New Construction and Rehabilitation Targets

<u>Program Type</u>	INCOME GROUP(S) TARGETED			
	<u>Extremely Low</u>	<u>Very Low</u>	<u>Low</u>	<u>Moderate</u>
<b>NEW CONSTRUCTION</b>				
o Multiple Bedroom Rental with Supportive Services	100			
o Residential Hotels/Small Apts. w/Supportive Service	140			
o Small Group Living Environments w/Supportive Services for Households Recovering From Homelessness	30			
o Rental Housing for Families		50	50	
o Supportive Residences for Psychiatrically Disabled	25			
o Group Housing for Other Specific Needs Groups	75			
o Elderly Housing		170	170	
o Expand Substance Abuse Facilities	25	25		
o Ownership Housing		75	75	75
o Inclusionary Housing				
• Rental Housing		25	25	
• Ownership Housing	—	—	<u>75</u>	<u>75</u>
<b>TOTAL NEW CONSTRUCTION: 1,210 units</b>	<b>395</b>	<b>270</b>	<b>395</b>	<b>150</b>
<b>REHABILITATION</b>				
o Multi-family rentals with Supportive Services and Enhanced Tenant Amenities	150			
o Residential Hotels/Small Apts. w/Supportive Services and Enhanced Tenant Amenities	300			
o Public Housing	858 <sup>1</sup>			
o Preservation of Units Threatened by Expiring Subsidies, Acquisition and Rehabilitation	(200) <sup>2</sup>			
o Multi-family Rentals for Families				
-- Non-profit		200	200	
-- For-profit		60	60	
o Single Family Loan Program			25	
o Elderly Loan Program			25	
o Tenant Cooperative Rehabilitation for Ownership		10		
o Supportive Residences for the Psychiatrically Disabled	25	25		
o Group Housing for Other Specific Needs Groups	<u>75</u>	—	—	—
<b>TOTAL REHABILITATION: 2,213 units<sup>3</sup></b>	<b>1408</b>	<b>295</b>	<b>310</b>	<b>0</b>
<b>TOTAL NEW CON/REHAB: 3,423 units</b>	<b>1803</b>	<b>565</b>	<b>705</b>	<b>150</b>

<sup>1</sup> Major rehabilitation work will be done in phases and the same units will be under repair more than once, to minimize displacement and due to funding constraints; number given is one-fifth of total 4,290 unit five-year goal.

<sup>2</sup> First year actual acquisition and rehabilitation goal not yet determined; specific number of units in each income group also not determined. The number given represents one-fifth of 1,000 unit five-year goal and is not included in column totals below.

<sup>3</sup> Includes 200 units in "Preservation" program.

2. Fund renovation and upgrade of 150 units of existing multifamily rental housing for extremely low income households, with space for supportive services.
3. Fund construction of 140 units of new residential hotels and small apartments, with space for supportive services.
4. Fund renovation and upgrading of 300 existing residential hotel units and small apartments, with provision of new spaces for social services and other amenities.
5. Fund 30 beds in group housing or shared housing environments combined with supportive services for individuals and households recovering from homelessness.
6. To the extent possible, fund social service providers to assist residents in existing very low income housing units owned and operated by non-profit corporations.
7. Develop Resident Hiring Program Guidelines with the Council of Community Housing Organizations, the Coalition on Homelessness, and MOHCD. Identify potential funding sources to implement a demonstration program by 1993.

B. Provide emergency shelter for households and individuals with a need for it.

*1992 Objectives:*

1. Complete rehabilitation and furnishing of the two City owned multi-service centers with a 400 person capacity.
2. Develop and adopt Shelter Admissions and Operating Guidelines with Department of Social Service and the Coalition on Homelessness.
3. Fund 50 new beds in emergency substance abuse drop-in centers.
4. Increase the Emergency Rental Assistance Program from its current level.
5. Maintain the Modified Payment Program at the average current level of 1000 individuals served, and a peak capacity of 1400 individuals served.
6. Evaluate alternatives and propose appropriate system for expanding emergency services to persons with chemical dependencies who do not want to participate in treatment programs.

C. Preserve and improve Public Housing resources for very low-income households.

*1992 Objectives:*

1. Continue major reconstruction and modernization of units in those projects identified by the SFHA as having the most critical needs.
2. Continue the current program of comprehensive rehabilitation as units are vacated, with a 1992 projection of 2,689 units.
3. Continue Resident Initiatives program at a level of 2,560 units. These initiatives began in 1990 and are expected to take several years to implement; the same 2,560 units are carried through the five-year plan (see p. 3-8 for program description).
4. Issue approximately 100 new project-based Section 8 certificates.

**Priorities for Addressing General/Low-Income Affordable Housing Needs**

A. Preserve Existing stock of low and very low income housing threatened by expiring subsidies or mortgage prepayment.

*1992 Objectives:*

1. Hold public hearings regarding owner's notice of intent to terminate contracts as stipulated in the San Francisco Assisted Housing Preservation Ordinance. Anticipate two or three hearings in 1992.
2. Make Tax Increment Fund predevelopment loans available for technical assistance for tenant or non-profit acquisition and rehabilitation efforts.
3. Anticipate demand for actual acquisition and rehabilitation funds of \$1,800,000 in 1992, given current forecast of specific buildings.

B. Expand and improve multiple bedroom rental housing for low and very low income households with multiple dependents.

*1992 Objectives:*

1. Fund construction of 100 units of new multiple bedroom units for very low and low income households
2. Fund acquisition and rehabilitation of 400 units of multifamily housing for very low and low income singles, couples, and households with dependents, by non-profits.

3. Develop new long term affordable private multifamily rental rehabilitation program and fund 120 units.

C. Expand and preserve ownership opportunities for low and moderate income first time buyers.

*1992 Objectives:*

1. Issue Mortgage Revenue Bonds at no cost to the City to provide mortgage assistance to 150 households between 60 and 110 percent of median income.
2. Fund 10 units of limited equity coop housing for households between 40 and 80 percent of median income.
3. Provide 25 rehabilitation loans to low income single family and elderly homeowners, and assist 25 additional low income homeowners in addressing deferred maintenance and minor code improvement work through the "Christmas in April" all volunteer labor program.
4. Obtain affordable housing mitigation of 150 units of new ownership units at an average of 100 percent of median income and 50 units of secondary rental units or rental condominiums in new multifamily developments at an average of 60 percent of median income.
5. Complete uniform Affordable Housing Monitoring and Enforcement Procedures for use by the Planning Commission and the Redevelopment Agency in their Inclusionary Housing Policies.

**Priorities for Addressing the Affordable Housing Needs of Households with Specific Needs**

A. Expand the supply of new barrier free housing specifically for the elderly and physically disabled.

*1992 Objectives:*

1. Fund the new construction of 340 new units elderly housing for low and very low income households.
2. Adopt Accessible Housing Goals as part of all funding programs, in conjunction with CCHO. Provide a minimum of 30 percent of 1992 funded units for households requiring accessible units. Provide additional funding for development funded in previous years but not yet under construction to be able to meet new Federal accessibility standards.

- B. Expand and preserve the supply of group housing facilities and small scale living environments for special needs populations.

*1992 Objectives:*

1. Fund construction of 25 new beds in residential care facilities for psychiatrically disabled persons, with a priority to serve those who are at extremely low or very low income levels.
2. Fund construction of 75 new beds and renovation of 75 existing beds in group housing for persons with other specific social or medical support service needs.
3. Provide low interest loans for the rehabilitation of 50 beds in privately run Board and Care facilities serving low income individuals.

## **INCREASING DEVELOPMENT CAPACITY**

The five year strategy relies on a significant increase in the annual rate of affordable housing production. It also anticipates greater commitments of funds to provide support services in concert with housing. Since both the production of housing and the delivering of services is and will continue to be primarily through community based non-profit organizations, their ability to respond to this challenge is also dependent on the identification of adequate staff, facilities, and other administrative and technical resources to achieve the five year goals. Therefore, the two most important aspects of capacity building are identifying and adopting larger financial resources for housing construction activity, and identifying and adopting larger financial resources for housing providers and support service providers.

### **Priorities for Increasing Financial Resources**

- A. Provide greater local funding for all affordable housing and support service activities.

*1992 Objectives:*

1. Prepare a comprehensive "Affordable Housing Budget" as a public education and advocacy document to present to elected officials.
2. Identify new local revenue sources which would support the "Affordable Housing Budget" without reducing commitments to other groups in need.
3. Enact 1992-93 City and County Budget with a minimum of \$15,000,000 in General Revenue funds to support CHAS housing and supportive service objectives.

## Priorities for Improving the Delivery System

- A. Increase the capacity of community based non-profit housing corporations to perform their role as developers.

### *1992 Objectives:*

1. Increase CDBG funding for administrative costs for non-profit housing developers to compensate for loss of RRP administrative fees.
2. Perform annual management and operations survey and in concert with CCHO develop realistic standards for buildings housing very low and extremely low income populations.
3. Provide funding to insure adequate reserves for non-profit operating housing developments and to increase property management capacity.

- B. Consolidate and expand funding sources to make supportive services available to residents of extremely low and very low income housing developments.

### *1992 Objectives:*

1. To the extent funding can be found, assign at least 7 new social service counselors to non-profit buildings with greatest tenant needs.
2. Convene conference of non-profit housing developers, non-profit supportive service providers, and relevant City Agencies to evaluate current and proposed building based support service models.
3. Identify funding sources to expand existing and support new building based support services.

- C. Centralize and consolidate the governmental activities related to Affordable Housing.

### *1992 Objectives:*

1. Establish regular meetings of the Affordable Housing Coordinating Group to manage and direct the attainment of objectives. This group will develop and implement uniform tracking and monitoring systems to be shared by all relevant agencies and departments.
2. Continue the interagency staff Affordable Housing Project and Policies Group meetings among the Department of City Planning, MOHCD, and SFRA staff.

2. Develop and adopt Community Planning Participation Guidelines for all projects receiving local funds.
3. Establish central library within one of the relevant agencies for affordable housing educational materials.
4. Request CCHO to begin development of alternate proposals for a Neighborhood Planning Strategy.

B. Actions to improve the geographic distribution of affordable housing.

*1992 Objectives:*

1. Using 1990 Census data, analyze and map household characteristics; establish target areas for directing future affordable housing benefits.
2. Develop guidelines and identify incentives for directing inclusionary units into target areas.

C. Actions to avoid or mitigate hardships imposed by displacement or discrimination.

*1992 Objectives:*

1. Convene Human Rights Commission, Department of City Planning, MOHCD, SFRA, and SFHA to develop uniform affordable housing marketing, monitoring, and enforcement procedures regarding Fair Housing requirements.
2. Develop and adopt Human Rights Commission guidelines for all phases of the housing development process.
3. Begin evaluation of current City programs and services for households displaced by either private or public actions. Make recommendations for implementation by 1993.
4. Begin evaluation of current City requirements and services for multilingual access to publicly assisted housing units. Make recommendations for implementation by 1993.

## **MONITORING PLAN**

### **Introduction**

The current system of monitoring affordable housing programs is divided among several agencies. The majority of the affordable housing activity in San Francisco is performed by CDBG non-profit providers whose program activities and contracts are monitored by the Housing Division of the Mayor's Office of Housing and Community Development. However, both non-CDBG non-profits and private sector developers undertake affordable housing development, and may be receiving funds from several different agencies.

Currently, the Community Development Division of MOHCD, the Redevelopment Agency, the Housing Authority, the Department of Social Services, and the Health Department all fund some type of housing activity and individually monitor their funds. The Planning Department and the Board of Permit Appeals have each been imposing affordability requirements on project sponsors who otherwise have no public subsidies, but neither of these departments has the staff capacity to monitor compliance with the requirements. An informal system of utilizing MOHCD or the Rent Board currently serves these agencies.

Within the One Year Plan for 1992, one of the main tasks of the Affordable Housing Coordinating Group will be to institutionalize a uniform monitoring plan and program among the different agencies. The system will likely rely on further developing and formalizing the current inter-agency "skills exchanges", whereby those with particular monitoring skills in one agency are delegated to perform that activity for other agencies.

Monitoring activity will be strengthened and expanded in the three distinct categories, described below.

### **Program Monitoring**

Program monitoring requires regular assessment of funding decisions of all relevant City agencies and making necessary directional changes to achieve the housing production and support service delivery objectives. This is composed of both a social goals monitoring activity, and a fiscal monitoring activity.

The status of funding commitments is tracked regularly by the finance officers at each relevant City Department. This information is used by the Affordable Housing Coordinating Group to target funding commitments. Larger unrestricted local funds such as the Tax Increment Program will be administered so as to set aside specific amounts to promote the development of housing for user groups that require special attention. In response to funding trends, staff in consultation with the major non-profit housing development corporations will be working to promote or encourage the development of projects in priority areas where goals are being proportionately underachieved.

There will also be regular Public reporting and opportunities for comments before the various Commissions which oversee the work of the relevant City agencies.

The Department of City Planning issues a report on housing production achievements annually. This "Housing Inventory Report" which is published in April and reviewed by the Planning Commission in May includes a separate accounting of affordable housing activity. As of 1991, a supplementary report on the first six months of affordable housing activity will also be presented for public review.

The Mayor's Office of Housing and the San Francisco Redevelopment Agency each publish annual reports of affordable housing funding activity, based on the July 1 - June 30 San Francisco fiscal year. As of 1992, these reports will be formatted to include both fiscal year and calendar year reporting to conform to the Planning Department and C.H.A.S. reporting periods. These reports are currently presented to the Board of Supervisors for public review and comments in July or August, with a new semi-annual report to be published in January or February.

The Mayor's Office will host a public hearing each year in September to review the annual CHAS Progress Report and the upcoming year's One Year Plan and the Five Year Strategy. In addition, the Mayor's appointed Citizen's Advisory Committee for the Community Development Block Grants reviews the accomplishments and projected plans of all CDBG funded housing development corporations in making its CDBG recommendations to the Board of Supervisors. This process begins with the Citizen's Committee internal review in September, followed by their own public hearings in October and the Board of Supervisor's hearings in November.

In late 1991 or early 1992, the Department of City Planning will be publishing a major analysis of the 1990 Census, including an analysis of implications for City housing policy and the implementation of the Residence Element. This information will be utilized in the development of the 1993 C.H.A.S. One Year Plan, and possible modification of the 5-year Strategy if required.

In addition, the Human Rights Commission is empowered to monitor housing activity for compliance with local ordinances regarding the awarding of contracts, and regarding the applicability and enforcement of prevailing wage requirements for most contracts. This monitoring is performed on a project by project basis. Complaints from citizens regarding alleged violations of local, State, or Federal fair housing laws are also taken up by the Human Rights Commission.

By early 1992, MOHCD, the Human Rights Commission, and Council of Community Housing Organizations should adopt detailed guidelines and procedures for the application of local ordinances to all housing development activities.

## **Affirmative Marketing Monitoring**

Currently there are many different types of marketing requirements placed on developers of affordable housing, either attached to their use of local funds, or as part of their approval by the Planning Commission or Redevelopment Agency. The goal of these affirmative marketing requirements has been to make the below market rate housing equally available to all minority and lower income households who might otherwise not be reached by more conventional marketing plans.

The marketing of affordable units to households at the required income level income has historically been easier to monitor and enforce than the goal of having representative groups from all minorities participating in the initial occupancy or sales of units. Since there are significantly more households interested in affordable housing than there are available units, a system of application lotteries and waiting lists is always required for publicly subsidized units. In a few cases of buildings developed by non-profits one or two minority groups appear to be over-represented in the tenant population. This appears to have been a result of housing advocates in a particular community providing extensive outreach, application counseling, and even transporting of applicants to rental offices. Although such advocacy action is well-intended, it can and has affected the outcome of the final occupant population, since the actual final selection process cannot utilize quotas or otherwise practice discrimination.

A more troubling issue has been raised regarding the near absence of any minorities in below market rate units within some privately developed mixed income projects. The concern has been expressed that the media and outreach materials combined with the application form and process may have discouraged minority participation, or even been part of a series of actions that could constitute a pattern of active discrimination. A few instances of alleged discrimination during initial rent-up based on income or race have been investigated by the Redevelopment Agency in the last several years, although no evidence of widespread discriminatory activity was found.

While the Redevelopment Agency has staff specifically assigned to approve, monitor and enforce the initial marketing of rental projects within their jurisdiction, there is no other City agency with such regular staff capability. Even with this capability, the Redevelopment Agency relies primarily on citizen initiated complaints and unannounced periodic testing by surrogates.

To the extent permitted by law, the City must work to develop the means to collect data on ethnicity during initial application periods. In addition, a uniform affirmative marketing plan based on state law and federal regulations should also be developed. The plan would apply to all affordable housing developed with public funding or under any City program or policy.

For ownership units, affirmative marketing for City subsidized developments has included active efforts to help pre-qualify potential minority and lower income applicants, and to identify and solve potential problems that some otherwise qualified households might face in securing private first loans. In response to an apparent lower participation rate among African-Americans in the

first time affordable home ownership programs the non-profit San Francisco Housing Development Corporation is being funding to help conduct first-time homebuyer workshops and set up a pre-qualifying effort specifically to help minorities in the largely African-American communities of the Bayview/Hunter's Point and Fillmore Districts. These districts are scheduled for several hundred new below-market rate homes and condominiums over the next 5 years.

### **On-Going Project Monitoring**

Once initial sales or rentals occur in conformance with affirmative marketing requirements, there is a lifetime requirement for continued monitoring and enforcement of compliance with household income requirements. This monitoring has typically been the responsibility of the agency granting the local subsidy. The Mayor's Office of Housing monitors all its rental project grant recipients annually as part of their CDBG monitoring and reporting requirements for grant recipients. Similarly, the Redevelopment Agency monitors the rental developments within their jurisdiction.

Additionally, the Human Rights Commission is broadly charged with investigating any allegations of unfair or discriminatory housing practices. To date, it has not been funded or staffed adequately to perform on-going monitoring of affordable housing developed either by private sector or non-profit corporations. The Human Rights Commission will be actively participating with the agencies which fund housing programs in the development of a comprehensive on-going monitoring program during 1992. As part of this program, a central data reporting and record keeping system will be developed for the provision of pertinent household income, household demographics and ethnic composition data for all publicly subsidized housing.

To implement this effort, the Human Rights Commission should be adequately funded to provide regular monitoring of publicly subsidized housing, including fair housing testing, in coordination with parallel MOHCD, SFHA, and SFHA monitoring of compliance with rent, sales, and income limitations. In addition, the Commission should be consulted on a regular basis by the Affordable Housing Management Group for recommendations to correct policies and practices in subsidized housing which may lead to discriminatory effects.

Table 5-2 shows the proposed schedule for implementing the One-Year Plan and Monitoring Program. Proposed forms for monitoring affordable housing production are presented in Tables 5-3 and 5-4.

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**Table 5-2: Housing Goal Monitoring Plan - 1992**

<u>Month</u>	<u>Document/ Action</u>	<u>Responsible Party</u>
January	"Affordable Housing Funding Report" published ( <i>six and 12 month summary of projects receiving funding commitments from SFRA and MOHCD</i> ).	MOHCD/SFRA
February		
March		
April	"Housing Inventory Report" published ( <i>Annual report on all residential activity; incorporates Affordable Housing Funding Report summary</i> )	Department of City Planning
May	Public Hearings on "Housing Inventory	City Planning Commission
June	"Affordable Housing Production and Evaluation Report" published ( <i>analysis of affordable housing production compared to goals and objectives</i> )	Department of City Planning
July	Public Hearings on "Affordable Housing Production and Evaluation Report"	City Planning Commission
August	"CHAS Draft One Year Plan" published	MOHCD
September	CDBG Housing Annual Allocation Recommendations and CHAS One Year Plan Comments	Citizens Advisory Committee (CDBG)
October	"CHAS One Year Plan, Final Report" published	MOHCD
November		
December		

**TABLE 5-3: PROPOSED HOUSING NEEDS, TARGETS, AND PRODUCTION MONITORING FORM "A"**  
**SPECIAL POPULATION NEEDS REPORT**  
**Residence Element and CHAS**

		NEEDS AND TARGETS				ACTUAL PRODUCTION (units)						Preliminary Funds Committed - 1992	PERFORMANCE	
						Completed 1992		Under Constr-92		Under Review-92			EVALUATION # built as % of Residence Element	
		Residence Element	CHAS	New Con	Rehab	New Con	Rehab	New Con	Rehab					
Population	Housing Type	NEEDS (1990-95)	TARGET (1990)	NEEDS (1992-97)	TARGETS (1992)								Needs	Target
Families o Rental o Owner o Co-op	Units Units Units	7600												
Elderly Rental	Residential Care SROs Units	2000												
Homeless	Shelters SROs Units	5000												
Terminally Ill	Residential Care	1370												
Low Income Singles	SROs Units	2600												
Artists	Live-Work	7000												
Expiring Section 8	Units	2000												
Other Special Needs o Students o Military o Mentally Ill o Other Special Group Housing	Dormitories Units Residential Care Group Housing/ Residential Care													
TOTAL UNITS														
TOTAL DWELLING UNITS														

TABLE 5-4: HOUSING NEEDS, TARGETS, AND PRODUCTION MONITORING FORM "B"  
HOUSEHOLD INCOME AND HOUSING STOCK RANGE

Residence Element and CHAS					ACTUAL PRODUCTION (units) (***)						PERFORMANCE		
Program Type	NEEDS AND TARGETS				Completed		Under		Under		Preliminary Funds	EVALUATION	
	Residence Element		CHAS		1992		Constr-92		Review-92			# built as % of Residence Element	
	NEEDS (1990-95)	TARGET (1990)	NEEDS (1992-97)	TARGETS (1992)	New Con	Rehab	New Con	Rehab	New Con	Rehab	Committed- 1992		
OBJECTIVE: INCREASE SUPPLY													
o New Construction													
-- Extremely Low Income	2000	(**)200											
-- Very Low Income	3392	400											
-- Low Income	3595	275											
-- Moderate Income	4493	345											
(Affordable Sub-Total)	(13480)	(1220)											
(Market Rate Sub-Total)	(8987)	(1000)											
TOTAL	22467	2220											
OBJECTIVE: PRESERVE EXISTING HOUSING AFFORDABILITY													
o Public Housing Rehab	4290	780											
o Non-Profit Housing Rehab./ Acquisition(*)	9900	950											
o Private, Publicly Assisted Rehab.													
o Private Un-assisted Rehab	55000	10000											
o Earthquake Damage Repair(*)	14100												
o Seismic Upgrade(*)	10000	500											
o Expiring Section 8 Units	2000	100											
TOTAL													

(\*) There is some overlap in these categories

(\*\*) Excludes beds in emergency shelters

(\*\*\*) Should include acquisition/rehab of affordable units

# CHAS Table 5B

## Goals for Families to be Assisted with Housing (\*)

U.S. Department of Housing and Urban Development  
Office of Community Planning and Development

### Comprehensive Housing Affordability Strategy (CHAS)

Name of Jurisdiction(s) or Consortium:

City and County of San Francisco

FY:

92

Assistance Provided by Income Group	Total Section 215 Goals (A)	Total Goals (B)	Renters				Total Renters (G)	Owners			Total Homeowners (K)
			Elderly 1 & 2 Member Households (C)	Small Related (2 to 4) (D)	Large Related (5 or more) (E)	All Other Households (F)		Existing Homeowners (H)	First-Time Homebuyers With Children (I)	All Others (J)	
1. Very Low-Income (0 to 50% of MFI)*	2543	2543	427	-1286-		745	2458	0	-85-		85
2. Mod Rehab & Acquisition	1348	1348	257	-806-		275	1338	0	-10-		10
3. New Const, Sub Rehab, Related Infrastructure	1095	1095	170	-380-		470	1020	0	-75-		75
4. Rental Assistance	100	100	0	-100-		0	100				
5. Homebuyer Assistance	0	0							0	0	0
6. Support Services		1165	170	-250-		745	1165	0	0	0	0
7. Other Low-Income (51% to 80% of MFI)*	705	705	170	-310-		25	505	50	-150-		200
8. Mod Rehab & Acquisition	180	180	0	-130-		0	130	50	0	0	50
9. New Const, Sub Rehab, Related Infrastructure	525	525	170	-180-		25	375	0	-150-		150
10. Rental Assistance	0	0	0	0	0	0	0				
11. Homebuyer Assistance	0	0									
12. Support Services		170	170	0	0	0	170	0	0	0	0
13. Total Low-Income (Lines 1 and 7)	3248	3248	597	-1596-		770	2963	50	-235-		285
14. Other Income (More than 80% of MFI)*		150	0	0	0	0	0	0	-150-		150
15. Grand Total (Lines 13 and 14)		3398	597	-1596-		770	2963	50	-435-		485

\*Or, if appropriate, based on HUD income limits with required statutory adjustments.

(\*) Excluding persons already receiving housing assistance through HUD programs, including public housing, housing vouchers and certificates (Section 8), and project-based subsidies.

## **APPENDICES**

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- A: HOMELESS SERVICES**
- B: INSTITUTIONAL STRUCTURE**
- C: BIBLIOGRAPHY**
- D: CERTIFICATIONS**
- E: SUMMARY OF COMMENTS**



## APPENDIX A: SERVICES FOR PERSONS WHO ARE HOMELESS OR AT RISK OF BECOMING HOMELESS

This appendix presents an inventory of services for people who are homeless and persons who are at risk of becoming homeless. Some sections of the inventory are organized by the service provided (food, clothing, etc.); others are organized by the population group served (people with AIDS, veterans, etc.). The primary source of data for this appendix is the 1991 Homeless Advocacy Project Resource Manual, a publication of the Bar Association of San Francisco.

AIDS/ARC. Catholic Charities operates two residential care facilities for persons with AIDS/ARC. Peter Claver Community provides long-term housing and support services for 32 homeless persons with AIDS and ARC. Rita da Cascia provides long-term housing and support services for homeless women with AIDS/ARC and their children. It houses up to six individuals.

Alcohol and Drug Abuse. Programs for homeless alcohol and drug users provide immediate and short-term detoxification, and longer-term residential recovery programs. Some of the principal programs are listed below.

- o *Harbor Light Salvation Army.* Three programs for alcoholic men and women, including de-tox, primary recovery program, and long-term residential recovery program. Medical back-up by San Francisco General Hospital.
- o *St. Anthony Foundation Drug and Alcohol Program.* Individual and group counseling in half-way house, job search assistance and on-going support provided.
- o *St. Vincent de Paul Ozanam Center.* 24-hour detox facility with recovery unit and program. Includes drop-in center for people accessing substance abuse services, shelter referrals, clothing, and showers.
- o *Smith House.* De-tox facility for crack-addicted or alcoholic women, including shelter for 10 women.
- o *Tenderloin Detoxification.* 28-day outpatient detox, concentrating on drug addictions.
- o *Women's Alcoholism Center.* 6-month residential care for women and their children. Also out-patient services.

Clothing. Free clothing is distributed at a number of the city's shelters, including Hospitality House and Episcopal Sanctuary. Clothing is also available through the St. Anthony's Foundation Distribution Center and St. Vincent de Paul.

Domestic Violence. Three shelters which house battered women--Asian Women's Shelter, La Casa de Las Madres, and Rosalie House--provide referral, counseling, clothing, child care, and support groups for victims of domestic violence.

Elderly Services. Homeless seniors may use social services provided at community centers in various neighborhoods, including the Bayview-Hunters Point Senior Citizens Multi-purpose Center, Downtown Senior Center, Diamond Senior Center, Haight-Ashbury Senior Center, Noe Valley Senior Center, North-of-Market Senior Center, Ross Parks Senior Center, and Western Addition Senior Center. A number of advocacy groups and legal organizations also specifically serve the needs of low income elderly persons, including homeless elderly persons. Finally, Self-help for the Elderly, a multi-service agency for seniors, provides housing counseling and placement services.

Additional services specifically for homeless elderly persons are offered at the following locations:

- o *Canon Kip Senior Center of the Episcopal Community Services.* Drop-in center for homeless seniors for use when shelters are closed. Provides assistance in finding permanent housing, obtaining mental health and health services, and entitlements.
- o *Salvation Army Senior Meals and Activities Program.* Provides hot meals, health screening, exercise, and activities for seniors.

Education and Employment Assistance. Education and employment assistance programs focus on increasing employment opportunities for anyone who is unemployed, underemployed, or has special needs which affect their employability. Representative programs are listed below.

- o *Hospitality House.* Job development program focused on specific needs groups, including homeless. Provide assistance with resumes, telephone use, and transportation.
- o *Lifeline Women's Shelter.* Transitional homelessness prevention and employment training program for single women and women with children who are capable of employment.
- o *St. Anthony Foundation Employment Office.* Provides stand-by and permanent job placement and support services.
- o *St. Vincent de Paul A.R.T.S.* Provides literacy and life skills to homeless adults.
- o *Swords to Plowshares.* Multiple services for homeless Vietnam-era veterans including employment workshops and job training.
- o *United Handicapped Workers.* Part-time job opportunities for persons who are handicapped and/or homeless.

Family Services. A variety of government, charitable, and non-profit advocacy groups provide services specifically targeted towards homeless families. These programs may provide monetary support, counseling and placement, and legal assistance. Some of these programs also provide services to people who are currently housed but are about to be evicted or displaced.

- o *AFDC Emergency Housing.* Provides temporary and permanent housing assistance cash grants to homeless, AFDC recipient, or AFDC eligible families. For temporary housing assistance, families must be homeless. Eligible families receive \$210 a week for three weeks. Under the permanent program, families receiving AFDC can get move-in costs covered. Special needs funds are also available for furniture, clothing, and household goods for people receiving permanent housing assistance.
- o *American Red Cross.* Has funds to assist families on AFDC with stay-in costs. The family must agree to go on a Modified Payment Program and work with a case manager for three months. They also administer a homeless prevention fund to prevent evictions and assist persons who have been displaced by natural disasters.
- o *Bay Area Women's Resource Center.* Provides free clothing to women and children. Provides information and referrals on child care and other family services.
- o *Catholic Charities.* Casework services for homeless families, including employment training, educational assistance, substance abuse counseling, money management training, social service referrals, parenting. Administers rental assistance program for persons at risk of homelessness, rent deposit guarantee (loan) for people trying to move into a new place. Provides emergency services for families with children, disabled persons, elderly, and refugees. Administers Coalition for Low-Income Housing, organized groups of tenants who live in HUD-subsidized housing to prevent loss of housing, eviction assistance, and shelter programs for homeless youth.
- o *Homeless Pre-natal Program.* Health Care for homeless pregnant women and their children (at Hamilton Family Shelter).
- o *In-Home Family Care Program.* Services for families in shelters and hotline hotels.
- o *Income Rights Project.* Provides free assistance to families regarding AFDC and related services, offers assistance with childcare and homelessness prevention.
- o *Jewish Family and Children's Services Project Keisher.* Case management for Jews who are homeless or at risk of becoming homeless. Provides emergency grants for food and shelter.

Food. There are more than 40 organizations in San Francisco that provide free meals or groceries. Most of these agencies are churches, ethnic group needs centers, and emergency

shelters. A "Free Eats" chart, published monthly, lists about 20 locations in the city where free daily meals are available. Figure 3 shows the chart for June, 1991. Agencies which specifically provide food to homeless persons are summarized below.

- o American Red Cross.* Assists persons who have been displaced by natural disaster of fire with many service, including food.
- o Economic Opportunity Council.* Administers Temporary Emergency Food Assistance program for people in need.
- o Emergency Food Box Program.* Provides one food box per month, three boxes per year to persons in emergency situations. The program is aimed at women, children and disabled persons.
- o First Congregational Church.* Operates monthly voucher program.
- o Food not Bombs.* Serves food daily at three rotating locations.
- o St. Anthony's Foundation.* Serves one meal daily from around 10 AM until around 1 PM. Also administers low cost food program.
- o Temporary Emergency Food Assistance Program.* Government surplus food provided at distribution centers.

Health Care. *Health Care for the Homeless* is a county-run program providing health care services for homeless people at a central clinic and at a number of other locations through outreach services. The main facility, Tom Waddell Clinic, provides urgent care services, outpatient primary care and general medical services, mental health counseling, and social work. Patients requiring hospitalization are taken to San Francisco General Hospital. Outreach services are provided to five emergency shelters, and to the Ozanam Center and Larkin Street Youth Center.

In addition to the services provided through the HCH program, indigent care services are offered at Laguna Honda and San Francisco General Hospital. Homeless persons may also seek treatment at a number of free health care centers, including the Haight-Ashbury Free Clinic, Lyon-Martin Women's Health Services, Mission Neighborhood Health Center, Native American Health Center, Northeast Medical Services, Potrero Hill Health Center, St. Anthony's Medical Clinic, South of Market Health Center, Southeast District Health Center, and five District health centers.

Legal Services. The following organizations provide advocacy services to homeless persons:

- o *Homeless Advocacy Project.* Provides legal help for homeless people and people at risk of becoming homeless. Trained attorneys, paralegals, and law students volunteers interview clients and provide on-going services as needed.
- o *General Assistance Advocacy Project.* Provides free assistance, counseling, and representation to persons denied, discontinued, or in need of General Assistance and/or food stamps.
- o *San Francisco Neighborhood Legal Assistance Foundation.* Resolves eviction cases, domestic relations, and welfare denials.

Mental Health Services. Mental health services are provided at a number of the city's shelters, at public hospitals, and at South of Market Mental Health, Tenderloin Mental Health, and Westside Community Mental Health Centers, the Center for Special Problems, and Health Care for the Homeless (Tom Waddell Clinic). There are also crisis intervention centers which provide services to indigent persons, although not clients all are homeless. Principal service providers are listed below:

- o *San Francisco Support Services.* Provides programs for homeless psychiatrically disabled. Administers housing program at four hotels, provides money, case management, group social programs, and vocational rehabilitation. Also operates multi-service center offering long-term case management, money management, and permanent housing assistance.
- o *Mission Crisis.* Crisis intervention center with drop-in clinic, medication, counseling services, case management.
- o *Night Ministry.* Workers respond to telephone calls for help and will meet a person in need anywhere in the city when called.
- o *San Francisco General Hospital.* The psychiatric emergency services department provides short-term counseling of individuals and families, crisis intervention, medication, referrals to clinics, and hospitalization.
- o *Veterans Administration Homeless Chronically Mentally Ill Program.* Facilitates placement of homeless veterans into medical, substance abuse, or counseling programs.

Youth Services. Free services for homeless youth are provided by the city's mental health centers, family service organizations, and legal advocacy groups. Agencies directly targeting homeless youth are:

- o *California Runaway Hotline.* Provides crisis counseling, message relay, and resource referrals to runaway or homeless youth under 18.

- o Diamond Youth Shelter, Catholic Charities.* Temporary crisis center providing food, shelter, crisis counseling, and referrals to youths aged 12-17.
- o Hospitality House Youth Program.* Provides food, shelter, case management, family reunification, employment development, and substance abuse counseling to homeless youth.
- o Larkin Street Youth Center.* Provides counseling and social services for homeless and runaway youth, ages 12-17. Also offers food, health care, and housing referrals.

Youth services are also provided by a number of mental health centers, family service organizations, community centers, and legal advocacy groups.

### **Services for Persons At Risk of Becoming Homeless**

Most of the programs listed above are eligible to persons who are at risk of losing their housing as well as those who are already homeless. There are also financial, legal, referral, and counseling programs which are specifically geared towards the "at-risk" population, particularly people who are at imminent risk of losing their homes. Additional programs not listed here reduce this risk on a more permanent basis, primarily by increasing the income or income-earning potential of participants.

AFDC Emergency Funds. If an AFDC applicant has received an eviction notice, AFDC must process the grant application and, if approved, provide the AFDC grant check within three days.

AFDC Modified Payment Program. Families on AFDC have their rent paid directly to landlords through a deduction from their entitlement check.

AIDS Emergency Fund. Emergency financial assistance for persons with AIDS or ARC to cover housing and other costs. Applicant may receive up to \$1000 per year and funds are paid directly to landlord.

American Red Cross. Provides emergency funds to prevent evictions. Assists families on AFDC with stay-in costs.

Catholic Charities Family Resource Center. Administers rental guarantee programs (loans) for persons who are behind in rent or persons needing assistance with move-in costs.

Catholic Charities Coalition for Low Income Housing. Helps organize groups of tenants who live in HUD subsidized housing to prevent loss of housing.

Department of Social Services Emergency Housing Assistance Program. Places persons at risk of homelessness in residential hotel rooms for 1-4 weeks. Priority is given to discharged medical

patients, seniors, women, newly released prisoners, and persons awaiting new housing or employment with a definite start date.

Department of Social Services Special Circumstances Grant. Grants for moving costs, housing repair costs, and foreclosures for people on SSI.

Homeless Advocacy Project. Provides free legal services to persons at risk of becoming homeless.

Homeless Prevention Fund. A fund to provide money for stay-in costs for people who have had legal action taken against them that would result in eviction. Targeted for people facing a one-time crisis. Administered by the DSS.

Independent Housing Services. A housing placement and counseling center, primarily for lower income seniors and persons with physical disabilities.

Innovative Housing. Places clients into shared housing and facilitates the transition from homelessness or living alone into shared housing situations. Requires income of \$600/month and ability to live independently.

Lutheran Care for the Aging. Housing-related financial assistance ranging from rent subsidies to one-time grants. Geared towards senior citizens or disabled persons over 50.

St. Anthony Foundation Social Services. Small loans provided for persons in crisis situations.

Salvation Army. Advocacy, counseling, information, and referrals for persons at risk of homelessness. Provides funds for utility bills, food, and transportation.

San Francisco Housing Clearinghouse. Provides free housing information, referral, and counseling to persons at risk of losing their housing in San Francisco. Maintains data base of available below market rate housing.

San Francisco Neighborhood Legal Assistance Foundation. Assists persons facing eviction and persons denied public entitlements.

San Francisco Network Ministries. Loans provided for last months rent and/or security deposit, primarily for single women with children.

Sheriff's Department Eviction Assistance Project. Places evicted persons in temporary housing if they are elderly, disabled, or single parents with children with nowhere else to go.

Season of Sharing. A fund to assist people in a one-time crisis with back rent, move-in costs, critical needs (families, seniors, and disabled only).

Tenderloin Housing Clinic. Provides citywide eviction defense, landlord-tenant advice, and counseling. Administers modified payment program for GA or SSI recipients, in which participants rent is paid directly to landlord through a deduction in their benefit check.

Travelers Aid. Provides emergency housing and other services to newcomers, refugees, and families.

United Way Homelessness Prevention Hotline. 24-hour United Way service providing information and referrals to persons in 9-county Bay Area who are at risk of becoming homeless.

In addition to the services listed above, there a number of agencies working to prevent homelessness in the Bay Area through research, public education, and direct assistance to at risk households. These include the *Bay Area Homelessness Program*, a consortium of nine college campuses which utilize campus resources to prevent homelessness; *HomeBase*, a regional support center for homeless policies and programs; and the *Coalition on Homelessness*, an organization made up of homeless people, service providers, and advocates.

## APPENDIX B: INSTITUTIONAL STRUCTURE OF THE HOUSING DELIVERY SYSTEM

The major institutional components of the delivery system for the production of affordable housing in San Francisco include three types of entities: local government, non-profit development corporations, and the private sector. Their respective roles are described below.

### Governmental Role in Affordable Housing Production

Board of Supervisors. The Board of Supervisors is the elected governing body of the City and County of San Francisco. As such, it establishes by ordinance and resolution the policies which affect the production of affordable housing in San Francisco. The Board also establishes budgets and funding levels for programs which assist affordable housing, such as the Community Development Block Grant program. The Board approves the lease or disposition of publicly owned land as sites for affordable housing development. Finally, the Board reviews and approves the zoning and conditional use actions of the Planning Commission. Actions of the Board are required to be approved by the Mayor, whose veto can be overridden by vote of eight of the eleven supervisors.

Mayor's Office of Housing and Community Development. MOHCD is the City's housing and community development agency, operating out of the Mayor's Office. The responsibilities of MOHCD include:

1. Administration of Community Development Block Grant activities with respect to housing. The housing staff of MOHCD administer the CDBG-funded site acquisition and rehabilitation loan programs; the monitoring of housing development and housing counseling subgrantees; and monitoring of ongoing compliance of developments funded with CDBG funds. The community development staff of MOHCD administer the CDBG emergency shelter program, and carry out fiscal and administrative responsibilities for CDBG as a whole.
2. Administration of certain other HUD programs for which the City receives an entitlement, such as the former Rental Rehabilitation Program.
3. Administration of City-funded housing finance programs, including the Hotel Tax Fund, the Residential Hotel Preservation Account, the Office-Affordable Housing Production Program, the Housing Development Fund, and (jointly with the San Francisco Redevelopment Agency) the City-wide Affordable Housing Program funded by tax increment funds. In certain cases, the fund is under the administration of another City department; in these cases, MOHCD makes funding recommendations to those department heads, and administer the funds.

4. Administration of housing revenue bond financed programs, including single-family and multifamily projects.
5. Providing technical assistance to subgrantees and other housing developers in coordinating their applications for other sources of assistance, such as state housing funds, low income housing tax credits, Section 202, Section 312, and other programs.
6. Monitoring of projects funded by City and mortgage revenue bond monies for ongoing compliance with regulatory agreement requirements, including the resale of single family units developed with bond funds or converted under the Condominium Conversion Ordinance.
7. Advising and representing the Mayor with respect to housing policy issues, including planning issues, rent control, code compliance and similar issues, and coordinating the efforts of other City departments in housing program initiatives.
8. In cooperation with the Department of City Planning, administering the inclusionary zoning requirements on projects approved for conditional use, and developing recommendations for ensuring the long-term affordability of those units.
9. Establishing standards for affirmative marketing programs for all city assisted projects, including inclusionary housing units.

Planning Commission and Department of City Planning. The Planning Commission plays a central role in the development of housing policy, through the Residence Element of the Master Plan. The Planning Department provides yearly data and analysis of housing trends, which other agencies and the public rely on for the development of housing programs. Since the mid-1970s, they have developed several types of zoning controls which attempt to directly or indirectly encourage the retention of existing affordable housing or the production of new affordable housing (Affordable Housing Action Plan, 1989). Among the mechanisms implemented by Planning Department are Affordable Housing Special Use Districts, density bonuses for senior and disabled housing, floor area ratio and height exceptions for affordable housing in certain areas, housing linkage requirements, inclusionary zoning requirements, restrictions on condominium conversions, and restrictions on the conversion of residential units to commercial or hotel uses.

Department of Public Works (DPW). The Bureau of Building Inspection, a division of DPW, is responsible for the permitting and inspection of new construction and alterations, the maintenance of building records, and the enforcement of residential energy conservation standards. The Bureau conducts plan checking and performs building, electrical, housing, and plumbing inspections. The Bureau also executes the city's program to strengthen unreinforced masonry buildings, many of which contain affordable rental units.

Another division of DPW, the Bureau of Engineering, is responsible for the development and maintenance of streets and utilities. Their decisions regarding the location, type, and scale of capital improvements influence both the feasibility of specific sites for new development, and the overall development capacity of the city.

Department of Social Services. The DSS administers the city's public entitlement programs, including AFDC, GA, SSI, and food stamps. They provide resource and referral services to persons in need, including refugees, victims of domestic violence, foster children, and the elderly. DSS administers the city's homeless program and operates the city's Emergency Shelter Multi-Service Centers. They also administer the Hotline Hotel emergency housing program and, through the Tenderloin Housing Clinic, the Modified Payment Program. Their role also includes licensing of foster homes and board and care facilities.

Department of Public Health. The DPH administers public health programs through San Francisco General and Laguna Honda Hospitals, five District Health Centers, and mental health centers throughout the city. Community Mental Health Services (CMHS), a Division of DPH, operates a number of programs for specific groups, including seniors, women and children, and persons with drug and alcohol dependency. Within CMHS, Community Substance Abuse Services Division provides funding for over 400 beds in residential detox and recovery facilities. Environmental Health Services enforces health and sanitation codes, and regulates hazardous wastes and toxics. They become involved in housing where toxics are an issue (as in Mission Bay) or where unsanitary living conditions are reported.

Human Rights Commission. The city's Human Rights Commission supports and monitors Fair Housing Access laws and reports to the Mayor and the Board of Supervisors with findings and policy recommendations on issues of accessibility and discriminatory barriers. The Commission protects persons from housing discrimination on the basis of medical disability, sexual orientation, family status, race, religion, or national origin. It also assists in resolving problems with SRO hotel management and does advocacy work for disenfranchised groups.

The Commission has expressed interest in the monitoring of fair housing practices at housing projects which receive public assistance. They have asked that data on the ethnic composition of the residents of such housing be periodically compiled. The Commission also seeks greater involvement in correcting policies and practices with potentially discriminatory effects.

Rent Stabilization Board. The Rent Stabilization Board administers the city's rent control ordinance and hears appeals of the decisions of hearing officers who arbitrate disputes over rent increases. The Board consists of five members, including two landlords, two tenants and one person who is neither. All are appointed by the Mayor.

San Francisco Redevelopment Agency. The Redevelopment Agency has adopted redevelopment plans in five areas, four of which include a significant number of planned housing units. The SFRA is accountable to its own Commission, and it both establishes policy for development and sponsors development. The Agency establishes its own land use controls and conducts its own project approvals, some of which include affordable housing monitoring. Currently, it has its own technical staff to assist in all its activities, including affordable housing monitoring (Affordable Housing Action Plan, 1989).

San Francisco Housing Authority. The Housing Authority is accountable to HUD, and though subject to land use controls established by the Planning Code, its budget and its activity are substantially dependent on federal policy and programs. It has established its overall agency mission to be the provision of safe, decent, and sanitary housing for very low income households. The SFHA operates the city's public housing and administers the Section 8 certificate, voucher, and project-based subsidy programs.

### **Non-Profit Role in Affordable Housing Production**

For more than a decade, nonprofit organizations have been an essential element in the City's strategy for affordable housing production. Their roles include:

Affordable Housing Production. The City's Community Development Block Grant program provides administrative funding to a number of nonprofit corporations to acquire and rehabilitate existing buildings and to acquire sites for development of new housing for low-income households. Both subgrantee and other nonprofit corporations (such as BRIDGE and Catholic Charities) have also received loans or grants from the CDBG site acquisition and rehabilitation loan pools for these activities.

Administration of Rehabilitation Loan Programs for Privately Owned Properties. The subgrantee nonprofits are also provided administrative funds to operate the City's rehabilitation loan programs in various neighborhoods. These include CDBG-funded single family rehabilitation programs; Rental Rehabilitation loans for investor-owned properties; and the Section 312 loan program, that can be used for rehabilitation of mixed use buildings.

Housing Counseling and Technical Services. Several nonprofit organizations receive CDBG funds to provide housing counseling services and technical services to low-income households and to other non-profits. The housing counseling agencies receive housing discrimination complaints from the public, counsel complainants on their rights and remedies under state and federal laws, and work to prevent illegal lockouts, evictions and hotel conversions. The technical service agencies assist the other non-profits with feasibility studies, inspections, planning recommendations, architectural services, cost estimates, scheduling and construction administration.

Community Lending. Two nonprofit lenders based in San Francisco, the Low Income Housing Fund and the Northern California Community Loan Fund, play an important role in lending to affordable housing developers, particularly during the predevelopment stages of a project.

### **Private Sector Role in Affordable Housing Production**

Lenders. In general, private financial institutions have been willing to participate in affordable housing development, to the extent that these projects can support construction and permanent debt service. California banks and savings and loans have formed consortia (California Community Reinvestment Corporation and Savings Associations Mortgage Company, respectively) which are particularly sensitive to the needs of non-profit developers of affordable housing.

Local institutions have also been willing to participate in City bond programs, as trustee and to a lesser degree as lenders. Current difficulties in obtaining letters of credit for bond projects is a reflection of a general tightening of credit enhancement, and is not a problem specific to affordable housing developers.

Legal Services. A number of local corporate law firms provide pro bono legal services for non-profit housing developers, representing a significant contribution to reducing project costs. Services are also available, at customary rates, to the City's bond programs for bond counsel services. The City's bond funded developments tend to be more complex than usual due to higher affordability goals and multiple subsidies, and bond counsel has assisted the City in structuring the program to these ends.

Developers. The very high cost of development in the San Francisco area has somewhat limited the role of for-profit developers in affordable housing in recent years. Because of the large subsidies needed to build or rehabilitate affordable housing, the City has required most developers to agree to long-term affordability as a condition of receiving financing. Since in many cases for-profit developers enjoy alternative opportunities for investment, their interest in affordable housing has declined.

In certain specific areas, however, for-profit developers continue to play an important role. The City's inclusionary requirements for new construction of market rate housing ensure that most new condominium developers are participating actively in developing affordable housing. In addition, the City's single family mortgage revenue program has attracted developer interest, particularly among smaller and minority developers. Finally, certain developers actively pursue joint ventures with nonprofits.

Tax Credit Investors. Private investors' participation as limited partners in affordable housing developments sponsored by non-profit corporations provides a source of equity that is currently one of the most important sources of affordable housing financing. Continuation of the tax credit program at the federal and state levels will undoubtedly continue to induce this participation.

Architects, Engineers and Construction Contractors. The great majority of these participants in affordable housing development come from the private sector. Generally, architects, engineers and contractors are available to affordable housing developments; in periods when market-rate development is strong this is less true, and during slack periods it is particularly true.

As for factors which tend to discourage private sector participation, prevailing wage requirements and competitive bidding requirements may be cited. In large projects, prevailing wage requirements tend to pose less difficulty, since most of the contractors competent to handle such projects are union firms. In smaller projects, however, a significant number of capable contractors choose not to participate. With respect to competitive bidding, as in other sectors of the construction industry, participants in affordable housing development often prefer a negotiated bid process to a competitive bid. To the extent that this is cost-effective and permitted by the funding source, the City has permitted negotiated bidding of a significant portion of the work.

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## APPENDIX D: CERTIFICATIONS

### Certification

The jurisdiction hereby certifies that it will affirmatively further fair housing.

Signature of Certifying Official

X Bradford Paul

### Certification

The jurisdiction hereby certifies that it will comply with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, implementing regulations at 49 CFR 24, and the requirements governing the residential antidisplacement and relocation assistance plan under section 104(d) of the Housing and Community Development Act of 1974 (including a certification that the jurisdiction is following such a plan).

Signature of Certifying Official

X Bradford Paul

**Note:** The jurisdiction's execution of these certifications acknowledges that it will maintain supporting evidence, which shall be kept available for inspection by the Secretary, the Comptroller General of the United States or its designees, the Inspector General or its designees, and the public.



## APPENDIX E: SUMMARY OF PUBLIC COMMENTS

A public hearing on the CHAS was held at 6:30 p.m. on Tuesday, September 24, 1991 at St. Mary's Cathedral Conference Center, 1111 Gough Street in San Francisco. Notice of the hearing was published in five local newspapers, including the San Francisco Examiner and San Francisco Independent, and several hundred letters to individuals and community groups inviting participation were mailed out. A 60-day period for public comment on the 1992 CHAS began August 26, 1991 and ended October 25, 1991. Written and oral comments were received at the public hearing and during the course of the public comment period. These comments are summarized below:

### Comments:

*The draft CHAS is the product of a uniquely frank and cooperative City agency/community coalition planning effort that openly acknowledges serious deficiencies in the City's delivery system. Its main strengths are the setting of enormous goals based on actual housing needs, rather than on funding availability, and its admission that its goals cannot be realized without a major redirection of City resources on the part of Commissions, the Mayor and the Board of Supervisors. Because of its implications for budget priority determinations, CHAS based advocacy must now be broadly based and supported to guarantee that housing funding does not undercut equally justified allocations to address non-housing problems in lower income communities.*

-- Council of Community Housing Organizations

### Response:

Among its stated goals and specific initiatives, the 1992 One-Year Plan calls for the Director of the Mayor's Office of Housing and Community Development to reactivate and enlarge the former "Housing Cluster Group" as an Affordable Housing Coordinating Group, and to initiate an interdepartmental effort establish a "Comprehensive Affordable Housing Budget" for the 1992-93 Fiscal Year. At the same time, an on-going relationship with the community groups involved in the development of affordable housing and the delivery of related services will be maintained, both with respect to monitoring the City's efforts to implement the CHAS recommendations, and to begin the necessary process of developing consensus around housing policy as articulated by the CHAS. To be successful in obtaining policy setter approval and adoption of the 1993 CHAS by various City agencies, Commissions and elected officials, it will be essential to continue an open and cooperative relationship between the City and interested Community groups and to broaden public awareness and participation as much as possible.

Comments:

*The CHAS recommendations for so many new housing units will have serious consequences unless neighborhoods are more involved in planning and such questions as where the units will be built and their impact on transit and education are addressed. The CHAS should include a section on "accountability" and a stronger requirement for accountability in planning than is mandated by HUD or State government.*

*The CHAS should not rely as much as it does on needs data and projections provided by the Association of Bay Area Governments (ABAG) which tends to trespass upon the City's rights and reduce its ability to serve its own citizens. The City should do more of its own research.*

*--John Blackburn, Friends of the Farmers' Market*

Response:

One of the program development recommendations of the CHAS is to develop a "Neighborhood Planning Strategy" that would involve neighborhood groups and city agencies in coordinated efforts to address such issues as selection of sites and infrastructural impacts. It is hoped that such a cooperative effort will also provide a vehicle for improving the accountability of City agencies charged with implementing these plans to the citizens affected by them.

The timing of the 1992 CHAS development process and specific instructions from HUD required jurisdictions to "make reasonable efforts to provide...data beyond that minimally required, but...not (to) undertake special surveys." The CHAS' reliance on ABAG data is indirect, being a result of its reliance on the Residence Element of the Master Plan which was adopted after one and one-half years of public involvement and City Planning Department research. The ABAG goals for reducing commuting by encouraging San Francisco to house a greater percentage of its new workforce have been accepted and endorsed as part of the Residence Element. The Residence Element's documentation of the unmet needs of existing San Francisco households is thorough, and is the basis for the CHAS' five year goals. This means that these goals are based on meeting our own citizens' needs.

Comments:

*The CHAS should not identify less than the full potential need over the next five years when it comes to preserving existing affordable housing threatened by the loss of subsidies or restrictions. The City must invest its own funds in this effort if necessary.*

*-- Coalition for Low-Income Housing*

Response:

The Draft for Public Review included a five-year "Preservation" goal that was based on projected local funding for this purpose (from the Redevelopment Agency), rather than upon expected need. Subsequent to the issuance of this draft, the subcommittee of the CHAS Planning Group which focuses on this issue, developed a more complete estimation of the potential need in this respect and recommended revisions to the CHAS that were incorporated in the final document. See pages 72-74 in the text of the CHAS.

Comments:

*In general, the CHAS does a good job of discussing the needs of extremely low income households and particularly in recognizing the special needs of people living on low, fixed incomes. However, with respect to the housing needs of psychiatrically disabled, the Strategies should be expanded beyond just preserving Residential Care facilities to highlight the need for a wider variety of housing opportunities for persons leaving treatment facilities, particularly the need for more permanent, scattered site, independent housing opportunities for mentally disabled persons.*

-- Progress Foundation

Response:

The Residence Element and the CHAS identify persons with psychiatric disabilities as one of the groups for whom both existing and new group housing should be provided. The provision of a wider variety of scattered site housing opportunities for the mentally disabled as called for in these comments is consistent with the CHAS goals for geographic distribution of affordable housing benefits.

Comments:

*We support the acknowledgement that stable housing is not merely a "bricks and mortar" issue, but one that involves expanding the availability of social services and increasing the income level of many of our residents, whether in the form of wages or government entitlement. Our main criticism is that the number of units designated for those with psychiatric disabilities is disproportionately small. This may be due to some erroneous data (in the Residence Element) on the City's need. In contrast to the Residence Element citation of a shortfall of +approximately 750 beds in existing facilities for the mentally ill, we would now estimate that the need for long-term housing for this population is at least 2500-3000 beds. We would recommend that the CHAS five-year and one-year targets be at least doubled to reflect the higher level of need than may previously have been documented or acknowledged.*

-- Mental Health Association of San Francisco

Response:

The inadequacy of data based on the 1980 Census and lack of time to seek and evaluate more recent information result in the recognition that many of the needs categories in the 1992 CHAS may have been under-represented. This recognition serves to emphasize the fact that even in the face of under-counted needs, the City's current efforts to meet its needs for affordable housing are not adequate.

Comments:

*Nearly 60% of persons who complete 28-day or 6-week substance abuse treatment programs lapse back into dependency in large part because there are so few opportunities for these people to find the kind of stable housing recommended by the CHAS.*

-- Haight-Ashbury Free Clinic

Response:

Recognition of this lack of "exits" from transitional living arrangements is an important part of the rationale for assigning top priority to the development of more permanent affordable housing for extremely low income persons.

Comments:

*(A) In general, the CHAS does not take earthquakes -- past and future -- seriously enough. Its discussion of earthquake related reconstruction needs for low income housing and the issues surrounding Unreinforced Masonry Buildings are cursory and incomplete. One-for-one replacement of low income housing lost due to the 1989 Earthquake should be a separately stated Priority.*

*(B) The major role of the Redevelopment Agency within their various project areas, and as a citywide funding source is under-represented in the CHAS. It is important for the CHAS to describe a "better" scenario than the present institutional structure lest we wind up with the worst. Each neighborhood should chart its own future vis-a-vis the SFRA, and those community goals should be reflected in the CHAS.*

*(C) The 1980 Census numbers are worse than useless junk, they are downright misleading and wrong. They ruin the report's credibility and validity.*

-- Tenants and Owners Development Corporation

## Responses:

(A) The 1992 CHAS is not intended to supersede existing housing policy documents, but to compliment them. In general, it should be seen as a synopsis of existing building inventory and population needs as they have been discussed by other City policy documents such as the Residence Element. These documents do discuss the Loma Prieta Earthquake and the problem of Unreinforced Masonry Buildings (UMBs) in greater detail than the CHAS. However, the CHAS' contribution to this discussion is in its focus on a more detailed discussion of the interrelated housing, social and economic development needs of extremely low income households, which does not appear in any existing City policy documents, rather than on the specific cataclysmic events that aggravated the shortage of extremely low cost housing resources.

It has been stated that the greatest long term impact of the Loma Prieta Earthquake was on very low income and extremely low income households, as up to an estimated 800 housing units were permanently lost to these groups as a result of building destruction or due to their removal from the rental market following substantial earthquake-related rehabilitation. The housing production goals of the CHAS do take the earthquake-generated needs of these groups into account. The CHAS also includes Seismic Rehabilitation Bonds among the resources assumed to be available for implementing the Five-Year Strategy. (See Table 3-2, "Projected Five-Year Building Capital Subsidies").

(B) The CHAS has a stated priority to improve interdepartmental coordination (as for example, in the development of a "Comprehensive Affordable Housing Budget"). This effort will also provide an opportunity to more fully reexamine the City's institutional structure as a whole and the specific roles to be played by each of the several City agencies involved in affordable housing, including the Redevelopment Agency.

The CHAS also endorses comprehensive neighborhood and community planning efforts. (See pages 87 and 126.) Given the primary mission of the CHAS in the context of other city policy documents, the CHAS is not intended to duplicate or reiterate the housing and land use goals of particular neighborhoods or communities. Other documents, such as SFRA Area Plans and the numerous individual Neighborhood Plans in the Master Plan are themselves more appropriate vehicles for describing particular neighborhood policies and plans.

(C) The data basis for the CHAS is the same as for the Residence Element, which included annually updated information regarding household income provided in part by various State and Federal sources. These figures will be adjusted and related to particular Census tracts with the use of 1990 Census data, but the current aggregate income figures are fairly reliable. The 1990 Census data is expected to provide much more reliable information regarding ethnicity and geographic distribution of lower income households than has been available since 1980. Revisions to the needs

assessment and inventory of the CHAS will be made next year, as more of the relevant 1990 data is made available. It is expected that use of 1990 Census data will lead to an increase in identified needs for certain population groups.

Comments:

*The San Francisco AIDS Foundation fully supports the CHAS's primary focus on investing resources in expanding the supply of permanent affordable housing units with secondary attention to emergency shelter or transitional housing.*

*However, while the CHAS incorporates AIDS into several of its sections, the plan excludes or gives only superficial attention to AIDS needs in the resource investment strategies and one-year plan. The CHAS should acknowledge the current lack of adequate information on existing AIDS-related housing demand and call for specific action to assess that demand.*

*The Foundation recommends that the CHAS include more specific, attainable five-year goals for both permanent housing and emergency shelter units for people with HIV disease, and that people living with HIV disease be included as an identifiable specific need population (rather than being lumped into the category of "terminal illnesses"), particularly in the context of the discussion of homelessness.*

*The Foundation also recommends that the CHAS expand its discussion of discrimination monitoring and prevention plans to include other targets of bias, such as gays and lesbians and the elderly, including people with HIV disease.*

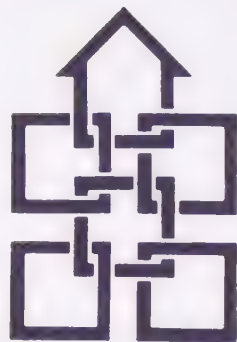
-- San Francisco AIDS Foundation

Response:

The Residence Element does include a discussion of different housing requirements for persons with AIDS/ARC, though the discussion is not as detailed as the comments call for. The 1993 CHAS will attempt to more fully assess and evaluate the relationship between AIDS and the demand for low-cost housing, as persons living with HIV disease are prone to both catastrophic loss of income and housing discrimination.

Comments:

A number of community organizations expressed general support for the overall goals and perspective of the 1992 CHAS and their desire to work with the City in implementing the plans outlined in the CHAS. These letters of support are attached.



COALITION ON  
HOMELESSNESS  
san francisco

October 21, 1991

Brad Paul  
MOHCD  
10 United Nations Plaza  
San Francisco CA 94102

Dear Mr. Paul:

The Coalition on Homelessness represents 60 community based housing, service and advocacy organizations. COH staff and its membership has been closely involved in the drafting of the City's Comprehensive Housing Affordability Strategy.

COH believes that the CHAS constitutes the City's first fully comprehensive plan to attack the problem of homelessness. It not only targets homeless extremely low income people for priority problem treatment, but proposes, based upon lessons learned in the field, that the primary program focus be upon permanent housing, full social services and economic and employment development built right into and complementing the housing program.

Clearly, funding for this effort is presently deficient. And, in adopting the new corrective approach, the City and community groups will have to revise and revamp existing strategies. Nevertheless, we now have a plan which not only adopts a workable strategy, but recommends actions necessary to correcting deficiencies in past City programs and support.

COH and its member organizations intend to continue working with the City in implementing the 1992 plan and in devising and monitoring future CHAS plans.

Sincerely,

Anthony Von der Muhll

126 HYDE STREET #102

SAN FRANCISCO CA 94102

TEL 415 346 3740

Stationery provided by Pacific Bell  
and Pacific Telesis Group



**HAIGHT-ASHBURY COMMUNITY DEVELOPMENT CORPORATION**

Brad Paul  
Mayor's Office of Housing and Community Dev.  
10 United Nations Plaza #600  
SFCA 94102

Dear Mr. Paul:

The Haight Ashbury Community Development Corporation, established in 1973, offers a full range of community service programs including housing planning, childcare, social services and art and cultural expression operations.

We would like to express our support for affordable housing development program, both the five year and one year plans, laid out in the Comprehensive Housing Affordability Strategy.

We particularly support the top priority assigned to the extremely low income category with homeless and families targeted as having a great unmet need. And we note the CHAS program correctly points out that the solution to these programs requires permanent housing with associated social and vocational services.

We intend to work with the City in devising means to increase funding and to implement key plan components including neighborhood education and planning to foster acceptance for affordable housing in all residential neighborhoods.

Sincerely,

*Richard Ross*  
Richard Ross  
Secretary



**Bernal Heights Housing Corporation**  
515 Cortland Avenue, San Francisco, CA 94110  
(415) 648-0330 • FAX: 648-0793

Mayors Off. of Housing

OCT 11 1991

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October 9th, 1991

Mr. Tom Jones  
Mayor's Office of Housing  
10 United Nations Plaza  
San Francisco, CA 94102

*Tom*  
Dear ~~Mr.~~ Jones,

I am writing to support the Comprehensive Housing Affordability Strategy(CHAS) as prepared by the Mayor's Office of Housing and Community Development with input from the Council of Community Housing Organizations and other concerned citizens.

The Bernal Heights Neighborhood Center (formerly "Community Foundation") now has over 900 members - and is very supportive of our affordable housing program. As you know, the Housing Corporation was formed in May of this year as its housing partner. From our first four unit co-operative to our proposed 92 affordable housing development behind the Farmer's Market, we know the urgency of providing responsibly developed and well designed affordable homes in a city whose real estate is beyond the reach of 93% of the population.

In Bernal Heights, for example, the median income is \$20,966, compared to a city wide median income of \$28,233 (Department of Labor Statistics, 1989). This annual household median income puts us in the bottom range of "Low Income" under HUD'S housing affordability standards (SF Dept. of City Planning: SF Housing Needs to 1995 , 5/89). There is clearly a need for more affordable housing in Bernal Heights as well as the rest of the city.

We look forward, as always, to working with you and the Mayor's Office of Housing in meeting the specific goals of the Comprehensive Housing Affordability Strategy for San Francisco.

Sincerely,

Helen H. Helfer  
Executive Director

*Working with the community of Bernal Heights to build and rehabilitate affordable housing*

March 8 On. Of Housing  
October 23, 1991  
1991

✓  
To: Joel Lipsky, Mayor's Office of Housing  
Fm: John Elberling, Tenants & Owners Dev. Corp.  
Victor Seeto, Asian Inc.  
Diane Clyne, Mercy Family Housing  
Chuck Turner, Community Design Center

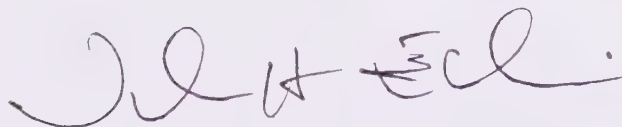
Re: Joint statement on San Francisco's draft Comprehensive Housing  
Affordability Strategy

San Francisco's draft CHAS provides a workable strategy for meeting  
the great demand for affordable housing that exists in every lower  
income and special needs category.


To meet these priorities will clearly require new funding not only  
from the federal and state governments, but local government as well.  
Funding is required, considering the primary barrier to affordable housing  
in San Francisco - the highest development costs in the nation, to not  
only subsidize acquisition and rehabilitation or new construction for  
very and extremely low income persons, but for non-profit capacity build-  
ing, social and vocational services, property maintenance and neighbor-  
hood planning.

We intend to cooperate fully with the City in implementing the CHAS in  
1992 and in refining that plan for 1993 and future program years.


John Elberling  
TODCO



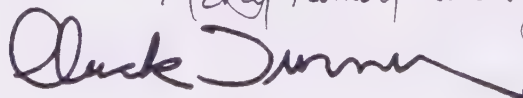
Victor Seeto  
Asian Inc



Diane Clyne  
Mercy Family Housing



Chuck Turner  
Com. Design Center



# Catholic Charities

ARCHDIOCESE OF SAN FRANCISCO

October 22, 1991

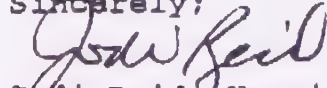
Joel Lipsky  
Mayor's Office of Housing  
10 United Nations Plaza  
San Francisco, CA 94102

Dear Joel;

I am writing this letter on behalf of the Housing Development Department of Catholic Charities of the Archdiocese of San Francisco. We have reviewed the CHAS (Comprehensive Housing Assistance Strategy) proposed by your office, and we believe that it is a good blueprint to guide the process of affordable housing development in the City of San Francisco.

Catholic Charities intends to continue to seek opportunities to develop affordable housing units for San Francisco residents, and looks forward to working in cooperation with the Mayor's Office of Housing, and the City to accomplish this goal.

Sincerely;



Jodi Reid, Housing Developer



# Tenderloin Neighborhood Development Corp.

230 Hyde Street, San Francisco 94102, (415) 776-2151

Mayors Off. of Housing

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**Civic Center Res.**

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SF 94102

**Klimm Apts.**

460 Ellis  
SF 94102

**Sierra Madre Apts.**

421 Leavenworth  
SF 94102

**Yosemite Apts.**

480 Eddy  
SF 94109

**Franciscan Towers**

217 Eddy  
SF 94102

**220 Pierce**

SF 94117

**398 Haight**

SF 94117

October 22, 1991

Mr. Joel Lipski  
Mayor's Office of Housing  
10 U.N. Plaza  
Suite 600  
San Francisco, CA 94102

Dear Mr. Lipski:

I have extensively reviewed the draft if the Comprehensive Housing Affordability Strategy for San Francisco. This is an excellent planning document and one which TNDC supports. TNDC plans to work closely with the City in accordance with the CHAS.

Sincerely,

Charles Coustan  
Director of Housing Development

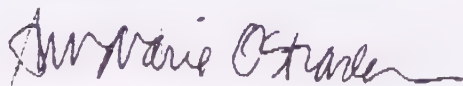
October 22, 1991

Mr. Joel Lipski  
Mayor's Office of Housing and Community Development  
10 United Nations Plaza - 6th Floor  
San Francisco, California

Dear Joel:

I have read the Comprehensive Housing Affordability Strategy prepared for San Francisco and want to express my strong support of the document and the objectives it outlines related to the development of affordable housing in the City. Mission Housing Development Corporation (MHDC) is one of San Francisco's leading producers of affordable housing and we are very anxious to work with you and the Mayor's Office of Housing and Community Development to reach those objectives in the very near future.

Sincerely,



Ann Marie Ostrander  
Housing Development Director

1656 Fifteenth Street  
Second Floor  
San Francisco, California  
94103  
(415) 864-6432  
(415) 864-0378 fax



**HOUSING DEVELOPMENT &  
NEIGHBORHOOD PRESERVATION CORPORATION**

648 Mission Street, Suite 301  
San Francisco, CA 94105 (415) 543-3940

Mayors Off. of Housing

OCT 23 1991

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October 21, 1991

Mr. Joel Lipski  
MOHCD  
10 United Nations Plaza, Ste. 600  
San Francisco, CA 94102

Dear Joel:

Housing Development & Neighborhood Preservation Corporation has reviewed the CHAS draft for public review, and feels that it is surely a working document which sets priorities.

I look forward to working with you in implementing this important document.

Sincerely,

A handwritten signature in cursive script, appearing to read "Al Borvice".

Al Borvice  
Executive Director

AB

SEP 24 1991

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SAN FRANCISCO  
NEIGHBORHOOD LEGAL ASSISTANCE FOUNDATION  
HOUSING UNIT  
49 POWELL STREET  
SAN FRANCISCO, CALIFORNIA 94102  
TELEPHONE (415) 627-0220

MEMORANDUM

TO: Tom Jones, Joel Lipski (HAND DELIVERED)  
FROM: Luz Buitrago  
DATE: September 24, 1991  
RE: Comments on Proposed CHAS

\*\*\*\*\*

This is to express support of the proposed CHAS that is set for Public Hearing this afternoon.

While the CHAS plan may need some refinements (such as updating it with Census information once it is available, and developing a monitoring system) within the next year or so, it establishes policies and goals that should improve, if implemented, the housing opportunities available to extremely-low income households and to some extent minorities.

Specifically, our office supports the emphasis that is given to: 1. meeting the needs of extremely-low income households by developing housing affordable to this group and providing the support services required to help them maintain their housing; 2. committing to preserve the housing that is and will be at-risk due to expiring restrictions and Section 8 opt-outs; 3. requiring the development of uniform policies regarding affirmative marketing of housing to minorities of all government "funded" housing; and requiring the development of policies that would counteract the displacement being faced by many minority communities; 4. requiring the development and establishment of uniform long-term affordability restrictions; and 5. committing to develop the capacity of the non-profit housing developers to provide affordable housing

We urge that the changes suggested by the Redevelopment Agency regarding at-risk housing be adopted.

# San Francisco Information Clearinghouse

409 Clayton Street, San Francisco, California 94117 ☐ Telephone: (415) 863-6566

October 18, 1991

Joel Lipsky  
Mayor's Office of Housing  
10 United Nations Plaza  
San Francisco CA 94102

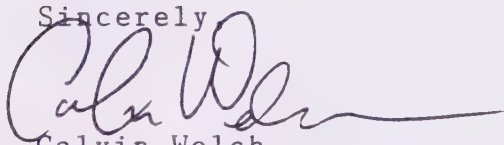
Dear Mr. Lipsky:

The SFIC provides technical assistance to community based organizations involved in housing and economic development as well as social service provision and land use planning.

In that respect, we would like to commend the City on its recent draft of the Comprehensive Housing Affordability Strategy. In 16 years of operations, we have not often found ourselves in support of City planning initiatives. The CHAS, however, is an excellent analysis of the City's housing affordability crisis and an even better blueprint for how that crisis can be addressed.

The CHAS points out comprehensively those problems that must be overcome in areas of financing and programs to carry out its production and preservation objectives. Much work lies ahead. The SFIC intends to cooperate fully in that implementation process.

Sincerely,

A handwritten signature in dark ink, appearing to read "Calvin Welch", with a long horizontal flourish extending to the right.

Calvin Welch  
Chief Executive Officer

**COMMUNITY HOUSING PARTNERSHIP**

*a California nonprofit corporation*

126 Hyde Street, San Francisco, CA 94102 (415)563-0474

October 18, 1991

Joel Lipsky  
Mayor's Office of Housing  
10 United Nations Plaza  
San Francisco CA 94102

Dear Mr. Lipsky:

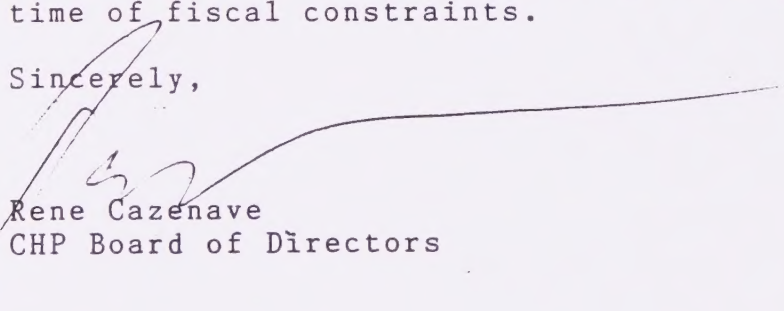
The CHP, a new non-profit designed to implement new strategies to eliminate the cycle of homelessness would like to express its support for the affordable housing program detailed in the Comprehensive Housing Affordability Strategy.

The CHP has undertaken an innovative program of providing permanent housing for formerly homeless persons with the full provision in-house of social service case management and a vocational program for building residents. While no specific element of the CHP program is unique, the combination of those various components into one comprehensive problem treatment package is definitely breaking new ground.

The CHP's approach is the result of hundreds of hours of planning between community organizations dealing with all aspects of homelessness and associated City agencies. The CHAS has drawn upon that great base of experience in adopting the CHP's approach as the main direction for future homeless housing and service efforts.

The need is enormous. And permanent housing affordable to the lowest income categories, considering in-house social and vocational services, is quite costly. We applaud the City for not scaling back its program to fit limited fund availability; for setting objectives that recognize the actual need and proposing programs that will require significant new funding in a time of fiscal constraints.

Sincerely,



Rene Cazenave  
CHP Board of Directors



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